Governing Council of the United Nations Environment Programme

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Seventeenth session
Nairobi, 10-21 May 1993

ITEM 7:* PROGRAMME MATTERS, INCLUDING THE IMPLEMENTATION OF THE PLAN OF ACTION TO COMBAT DESERTIFICATION

FOLLOW-UP TO THE VIII MINISTERIAL MEETING ON THE ENVIRONMENT IN LATIN AMERICA AND THE CARIBBEAN

Note by the Executive Director

The Executive Director has the honour to bring to the attention of the Governing Council the text of the resolutions adopted by the VIII Ministerial Meeting on the Environment in Latin America and the Caribbean, held in Santiago, Chile, on 15 March 1993. The final report of the meeting has been issued in English and Spanish only: at the seventeenth session of the Governing Council copies will be available, upon request, from the secretariat of the Council.

The VIII Ministerial Meeting on the Environment in Latin America and the Caribbean was convened by the Government of Chile and the support of the UNEP Regional Office for Latin America and the Caribbean as Secretariat, following Governing Council decision 10/2, Section III, in which the Council invited the Governments of the region to hold periodic regional intergovernmental meetings on the environment to formulate regional policies and strategies in that field. The VIII Ministerial Meeting was preceded by a Meeting of Government - Designated High-Level Experts.

The Governing Council may wish to take note of the resolutions attached in the Annex and to point out those measures which it considers appropriate for their effective follow-up, within the framework of UNEP's future activities.

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* Refers to the number of the item on the Provisional Agenda (UNEP/GC.17/1).

ANNEX

RESOLUTIONS OF THE VIII MINISTERIAL MEETING ON THE ENVIRONMENT IN LATIN AMERICA AND THE CARIBBEAN

Santiago, Chile, 15 March 1993

The Ministers and Delegations attending the VIII Ministerial Meeting on the Environment in Latin America and the Caribbean, held in Santiago, Chile, 11-15 March 1993, convened by the Government of Chile with the support of UNEP,

Fully aware that the conference of the United Nations for the Environment and Development held in Rio de Janeiro in June 1992 initiated a process that should lead all the other countries in the world to a sustainable development, reiterate their commitment to the implementation of the Rio Agreements, in particular, Agenda 21,

Fully aware of the need to adjust the existing structures as regards environmental regional cooperation to the challenges posed by the process initiated in Rio de Janeiro,

Taking fully into consideration the orientations with respect to institutional arrangements contained in Agenda 21 and those that may arise from the Commission on Sustainable Development,

Recognizing the value of the Ministerial Meetings and the relevant role played by the United Nations Environment Programme in the existing cooperation structure in the region,

Recognizing that Agenda 21, pursuant to paragraph 21, Chapter 38, recommends close coordination among the different bodies of the United Nations system at a regional level, in particular UNEP, UNDP (United Nations Development Programme) and ECLAC (Economic Commission for Latin America and the Caribbean), and that in our region it is convenient to incorporate inter-American and regional organizations such as OAS (Organization of American States) and SELA (Latin American Economic System) into this effort,

Recognizing the need to effect a meaningful decentralization of the activities of UNEP in order to promote an effective regional cooperation, in particular with UNDP and its Capacity 21 Programme and ECLAC,

Taking into account the need that this coordination be oriented to mobilize substantial new and additional financial resources to achieve the implementation of the regional programmes, projects and actions, within the framework of the Rio Agreements,

Recognizing that the implementation of Agenda 21 requires the expansion of the mechanisms to facilitate the involvement and interaction of all the actors of sustainable development, particularly the major groups mentioned in Section III of said Agenda.

RECOMMEND TO THE GOVERNMENTS

1. To expedite the elaboration of national programmes tending to the implementation of Agenda 21 in accordance with the actual conditions of each country.

2. To review and carry out the institutional modifications required, according to their own conditions, to formulate the strategies for sustainable development.

3. To continue to assign active support to the ongoing programmes of UNEP and to favour their linkage to Agenda 21 and other cooperation programmes in line with Agenda 21.

4. To favour and facilitate discussions, consultation with and participation of the major groups in the implementation of Agenda 21 at a national level, pursuant to Section III of said Agenda.

5. To make all efforts required in order to inform, as fully as practicable, all sectors of society of the outcome of the Rio Meeting and of Agenda 21.

CONCERNING REGIONAL COOPERATION ORGANIZATIONS AND, PARTICULARLY, UNEP, UNDP AND ECLAC

1. Take note of the reports presented by the Secretariat to the Ministerial Meeting.

2. Express their gratitude for the efforts made to date in relation with coordination activities, specially by UNEP, UNDP and ECLAC, in compliance with paragraph 27 of Resolution UNGA 47/191, as well as with paragraph 32, Chapter 38, of Agenda 21.

3. Recommend that UNEP enhances the decentralization programme, strengthening the capacities of the Regional Office for Latin America and the Caribbean by providing it with the financial and human resources necessary for implementing the ongoing programmes and those eventually arising from the process approved at this meeting. Request that the next Governing Council of UNEP continues to assign maximum priority to the Action Plan for the Protection of the Marine Environment and Coastal Zones of the South-East Pacific and to the Caribbean Action Plan, as well as the Executive Director to provide the regional coordination units with the required resources, for the support of both plans and their priority projects, and to assign a higher degree of autonomy in the management of such resources within the framework of the decentralization process.

4. Urge the next Governing Council of UNEP that, when considering the budget for the 1994-1995 biennium, it takes due account of the needs and priorities of Small Island Developing States of the region.

5. Recommend that UNDP addresses, in conjunction with the appropriate agencies, the implementation of Capacity 21 within the region as expeditiously and coordinatedly as possible, ensuring its linkage with the programmes of UNEP and ECLAC.

6. Recommend that agencies, particularly UNEP, UNDP and ECLAC, continue to make coordinating efforts in order to strengthen their support to sustainable development at regional level, and encourages them to establish the necessary mechanisms to avoid duplication of efforts.

7. Urge the concerned agencies to make regional efforts for strengthening the linkages with the current international, regional and subregional financial mechanisms and institutions such as GEF (Global Environment Facility) and IDB (Inter-American Development Bank) to mobilize financial resources with a view to implement regional programmes, projects and actions.

8. Request that actions be taken to ensure that the adoption of the decisions regarding the implementation of the Convention on Biological Diversity be made according to strict transparency criteria as well as pursuant to the objectives stated in the Convention itself.

DECIDE

1. To revise the existing regional consultation and cooperation mechanisms in the light of the outcomes of the Rio Meeting, so as to adjust them to the requirements of sustainable development and the effective implementation of Agenda 21.

To this end, ministerial meetings shall:

(a) Evaluate and follow up regional cooperation actions on environmental matters within the context of sustainable development;

(b) Examine the relevant matters on sustainable development within their competence;

(c) Discuss and coordinate, as far as possible, regional positions within the framework of the Commission on Sustainable Development.

2. To maintain an inter-sessional body to be composed of seven members, who shall be elected at the ministerial meetings on a rotational basis. Said body shall hold periodical meetings, at least twice a year, in order to follow-up the decisions adopted at ministerial meetings and supervise inter-agency coordination efforts for regional cooperation within the framework of the Rio de Janeiro decisions.

3. That the regional cooperation framework be supported by a technical secretariat composed of UNEP, UNDP and ECLAC. Said organizations shall seek to these effects the approval of their governmental authorities and submit to the intersessional body the functional modalities of this joint secretariat.

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AGENDA ITEM 7: PROGRAMME MATTERS, INCLUDING THE IMPLEMENTATION OF THE PLAN OF ACTION TO COMBAT DESERTIFICATION

FOLLOW-UP TO THE VIII MINISTERIAL MEETING ON THE GOVERNMENT IN LATIN AMERICA AND THE CARIBBEAN

Note by the Executive Director

Addendum

1. The Executive Director has the honour to bring to the attention of the Governing Council the text of the recommendations on the Environmental Training Network in Latin America and the Caribbean endorsed by the VIII Ministerial Meeting on the Environment in Latin America and the Caribbean with its resolutions.

2. The Governing Council may wish to take note of this resolution and to point out those measures which it considers appropriate for their effective follow-up, within the framework of UNEP's future activities.

Annex II

RECOMMENDATIONS ON THE ENVIRONMENTAL TRAINING NETWORK

I. GENERAL AGREEMENTS

1. Upon the follow-up of the decisions adopted by the Inter-sessional Policy Body of the Action Plan for the Environment, it is recommended to continue assigning maximum priority to the General Programme of the Environmental Training Network and its organic integration to the Action Plan for the Environment in Latin America and the Caribbean.

II. RECOMMENDATIONS

1. TO THE GOVERNMENTS OF THE REGION

1.1. That the Ministers make the necessary arrangements, both as to time and procedure, to pay their outstanding contributions to the Network Trust Fund and agree on the mechanisms making said contributions viable, considering each country's conditions and restrictions; report to the UNEP, within the term of two months, on the progress of their negotiations to expedite these contributions.

1.2. That they establish mechanisms allowing the contributions to the Fund to be regularly and expeditiously made before May 31 of the corresponding fiscal year.

1.3. To stress the importance of non-Spanish speaking countries participation in the Environmental Training Network in light of the objectives of the Action Plan of Latin America and the Caribbean.

1.4. That the National Focal Points send to UCORED, in the term of two months, a programme of activities, including the courses and seminars that could be incorporated into the Network Regional Programme. These activities should reflect the priorities assigned by the countries to the environmental training.

2. TO GOVERNMENTS OF NON-SPANISH SPEAKING COUNTRIES.

2.1. That those countries already members of the Network reaffirm their commitment to this Programme.

2.2. That those countries which are not yet members of the Network give special consideration to joining this Programme.

2.3. That the non-Spanish speaking countries of the region identify those priority areas that they wish the Network to address.

2.4. That the non-Spanish speaking countries identify to UNEP those institutions that might qualify as centres of excellence for the Network.

3. TO UNEP

3.1. To approve the extension of the Trust Fund until December 31, 1994;

3.2. To prepare an accounting report of the Programme's budget year for 1992.

3.3. To continue to conduct deliberations with those potential centres of excellence that might serve the non-Spanish speaking Caribbean with the view to including these institutions and their Environmental Training Programming in the Network.

3.4. To reinforce and expand the collaboration between the Caribbean Environment Programme and the Environmental Training Network.

3.5. To seek additional sources of funding to facilitate the development of specific environmental training activities.

4. TO THE GOVERNMENTS OF THE REGION AND UNEP

4.1. To restructure and reorganize the Environmental Training Network Programme based upon its progress and consolidation conditions, including the review of the Rules of Procedure and Coordination of the Programme. To that end, UCORED shall prepare a basic diagnosis and a proposal to be submitted to the countries within five months, which shall serve as an input for a future meeting of the representatives of the Network's National Focal Points, and which costs shall be covered by each participant country.

4.2. To approve the proposal as regards the amounts for the financing of the General Programme of the Network made on Document UNEP/LAC-EC.2/3 and request UNEP to cover, as from 1993, staff and operating costs of the Regional Coordination Unit of the Network to an amount of US$ 270,000. The Programme's Trust Fund shall be allocated to its activities and projects, managing with flexibility the allocation of resources from both the Trust Fund and the Environment Fund, to the different budgetary items, giving priority to the fellowships' fund of the Programme, which should not be lower than 30% of the aggregate consolidated budget.

4.3. To consolidate the environmental training process, establishing a system of Post-graduate Courses in Critical Environmental Areas, based upon the evaluation, assessment and accreditation of the courses, from the proposal of the Inter-Agency Regional Project of the Network. New proposals by the centres for excellence of the countries of the region shall be added to the project. Those courses

of the Inter-Agency Regional Project having funds should be incorporated into the General Programme of the Network.

4.4. To seek the involvement of Spanish and English speaking countries in activities of the Environmental Training Network.

5. To UCORED/UNEP:

5.1. To focus their activities as follows:

a) **Identify, promote and develop environmental training courses of excellence** to be integrated into the Network, taking into account the priorities assigned by the countries of the region.

b) **Establish a Regional Environmental Education and Training System,** formed by short training courses and professional specialization and post-graduate courses, given on a regular basis with regional or subregional coverage.

c) **Organize workshops and seminars** aimed at developing knowledge and methodologies, exchanging experiences and designing regional courses in critical environmental areas.

d) **Offer technical assistance and academic advisory services** to the governments of the region, upon request, as well as to Universities, Training Centers and non-Governmental Organizations, to develop environmental training programmes, courses and activities.

e) **Establish an information service** on environmental training programmes and courses within and without the region, including fellowship opportunities for participants of the Region.

f) **Publish the Newsletter** *Environmental Training* to promote a broad process of communication, liaison and exchange between governmental organizations, international agencies, research, training and educational centres and civil associations.

g) Coordinate an **Editorial Programme** with different institutions (universities, international cooperation agencies, non-governmental organizations, and so forth) to publish books, proceedings, guidelines and handbooks with theoretical, methodological and technical knowledge for the development of training modules, curricula and courses in the different subject areas related to environment and sustainable development.

6. THE MEETING EXPRESSES ITS GRATITUDE:

6.1. To the different Governments for the efforts made to move forward in consolidating the Network Programme and their contributions to the Trust Fund;

6.2. To the United Nations Environment Programme for the support it has provided to develop and finance the Programme;

6.3. To international agencies and regional training organizations for their cooperation in helping the Network Programme advance;

6.4. To the Government of Chile for its hospitality and sponsorship of the Meeting of the Executive Council of the Environmental Training Network for Latin America and the Caribbean.

6.5. To ECLAC for the support provided to the Meeting.

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ITEM 8:* THE ENVIRONMENT FUND, OTHER FINANCIAL MATTERS AND ADMINISTRATION

REVIEW OF THE ORGANIZATION AND MANAGEMENT OF THE UNITED NATIONS ENVIRONMENT PROGRAMME

Note by the Executive Director

1. The Executive Director has the honour to transmit herewith to the Governing Council the executive summary of the management and organization study of UNEP prepared pursuant to Council decision 16/6 of 31 May 1991. The management consultancy firm that prepared both the full report and the attached summary has informed the Executive Director that the summary:

> "Follows the style of the full report in that it encompasses the conclusions of the initial report prepared in January 1992 modified where appropriate and the results of our assessment of Agenda 21 and other changes that have taken place in 1992. Inevitably, however, in a document of this brevity much of the argument we used in reaching our conclusions together with the more detailed recommendations have been omitted and are only to be found in the full report."

2. As agreed with the Committee of Permanent Representatives, the UNEP secretariat is distributing the full study in English only.

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* Refers to the number of the item on the Provisional Agenda (UNEP/GC.17/1).

Annex

UNEP's Management and Organisation - Executive Summary

101. In this summary we have adhered to the structure of our full report dated 2 February 1993. The key findings are set out under the following headings.

UNEP's programme

102. Sixteen of the forty chapters in Agenda 21 reinforce the role of and requirements from UNEP. In our full report we analyse in some detail the implications of Agenda 21 for each of UNEP's programme areas. The key points are noted below.

103. The further development of Earthwatch is vital. Special points of note are the possibility of creating an early-warning system, the potential for an advisory intergovernmental steering group for Earthwatch, with risk assessment included in its mandate, and opportunities for strengthening the technical assistance component of Earthwatch, particularly in the area of training and institution-building.

104. UNEP should maintain the emphasis on the development of international environmental treaties, conventions and other agreements whether at global or regional level - and build a capability to assist developing countries with environmental legislation and institutional frameworks including the provision of appropriate financial and technical assistance.

105. UNEP should also build up its own intellectual capacity in environmental impact assessment, social cost-benefit analysis, environmental and natural resources accounting and integrated physical planning, and seek to incorporate these aspects of environmental management in its own programmes of assistance to developing countries, including training programmes for administrators and development planners.

106. We believe that there are specific environmental skills and competencies, where UNEP has already a considerable actual capacity and an even larger future potential. UNEP should be in a position to place that capacity at the service of the countries who need it in whatever region of the world, i.e., in both developed and developing countries.

107. UNEP's ability to get at the sources of environmental damage, either directly through its own activities and programmes, or through cooperating and supporting organizations, should be strengthened. Attention should be focused on technical innovation and diffusion, which will be a critical determinant of the pace and character of future economic growth. UNEP's Industry and Environment Programme Activity Centre (IE/PAC) and the International Environmental Technology Centre will play an important role in this area. In the field of agriculture and forestry we stress the need to support programmes such as the Programme on Sustainable Agriculture and Rural Development of the Food and Agriculture Organisation of the United Nations (FAO) and the Tropical Forestry Action Plan, and to support efforts to achieve an international convention on the conservation and sustainable development of forests. With the exception of the International Atomic Energy Agency (IAEA) in the case of nuclear energy, no United Nations body has a global remit for energy-related environmental problems and we believe that UNEP should collaborate actively with the IAEA/OECD initiative to establish an energy technology information system, aimed at the control of greenhouse gas emissions. In our full report we stress the need for UNEP, in cooperation with other United Nations

agencies, to devote increased attention to transport issues, in view of the major contribution of the transport sector to urban air pollution and other gaseous emissions. UNEP should also continue to press for full implementation of conventions such as the International Convention for the Prevention of Pollution from Ships (MARPOL), aimed at the protection of the marine environment.

108. We believe that the strengthening of UNEP's regional offices is a matter of outstanding importance, particularly if UNEP is to perform effectively the tasks of technical cooperation for improved environmental management in which it has a special interest and capability.

109. A recurring theme in our report is the need to strengthen UNEP's capacity to assist countries with their own environmental programmes. There are areas where the assistance UNEP can provide to countries may make a vital difference in helping that country to move forward on the path to sustainable development. We believe that the emphasis on this kind of technical assistance must be maintained and, if possible, substantially increased. These latter recommendations may result in some reassessment of the location of UNEP's resources and staff.

Present and proposed funding arrangements

110. There are two issues of concern in relation to the present funding arrangements. They are the low level of funds available and the uncertainty in funding.

111. The implications of Agenda 21 for UNEP are such that it would be desirable for UNEP's resource base, including funding, to be significantly enlarged and reshaped over the coming years. We recognise, however, that significant financial commitments to the environment and sustainable development activities have not, as yet, been forthcoming. The clear impact of this on UNEP is that much attention will have to be given to the realistic setting of priorities within the programme areas so that the maximum benefit is obtained from the available funds.

112. Uncertainty in UNEP's funding arises from the high proportion of voluntary contributions. Appropriations from the Environment Fund, approved by the Governing Council, do not represent firm commitments of amounts to be contributed by governments. Variations in contributions by governments have been marked in recent years. In addition, the timing of funding remains uncertain, and the flow into the Environment Fund continues to be variable.

113. This uncertainty in funding leads to a tendency towards short term programme planning. Expenditure is rarely committed to programmes more than a year ahead, and many staff are on contracts of two years or less.

114. The current trend in favour of contributions via trust funds and counterpart contributions is a result of governments' desire to control where their contributions to UNEP are spent. However this reduces UNEP's scope to make expenditure decisions and may distort the emphasis of UNEP's programme. Consideration should be given to merging the technical cooperation trust funds in order to rationalise the sources of funding and to reduce administrative burdens.

115. In the light of UNCED, we are convinced that there is a strong case for moving towards assessed contributions as a source of finance for UNEP's core programme. We recognise that not all parties are as yet convinced of the desirability of such a move and we believe that UNEP Governing Council

should therefore give renewed consideration to the question of UNEP's funding arrangements. Clearly, if a political consensus cannot be reached and it is necessary to continue with a primarily voluntary basis, the Governing Council should be asked to consider afresh, a process whereby pledges can be made at a much earlier date.

116. If the reforms we suggest to UNEP's funding arrangements were introduced, the case for discontinuing the contribution to UNEP from the United Nations' regular budget would be strong on institutional grounds as well as permitting major simplifications in budgetary procedures. We believe that there is a strong case for handling UNEP's budget as a single integrated whole.

Management and structure

117. The appointment of the new Executive Director, combined with a number of forthcoming retirements at senior levels provide an unusually strong opportunity for change. A change-management programme for UNEP would need to reflect the management style of the new top team and the extent to which delegation of authority is practicable, within a framework of clear accountability.

118. We believe that UNEP would benefit considerably from the development of an organisational vision. Such a vision tends to describe the core values, beliefs and moral principles of the organisation. It should be simply expressed, represent an aim to be achieved in the long term, and provide a yardstick by which to judge future performance. UNEP's top management team should involve a number of staff in this process, through workshops and setting up task force teams. Benefits of such an approach are that it acts as an impetus for securing fundamental and lasting change.

119. UNEP's mission statement will need to be underpinned by a set of goals and objectives that are factual, tangible and measurable. These objectives can then be cascaded down to each organisational level through the process of defining outputs and performance targets.

The recommended programme structure

120. The outcome of UNCED and priorities defined in Agenda 21 need to be reflected in UNEP's organisation structure. Our proposals clearly separate accountability and reporting relationships from the functional linkages. The structure shows clear accountability for each component of the programme, and links between resources (both financial and human) and performance targets. In order to achieve this level of clarity we recommend that organisational units have clear budgets.

121. We recommend that all programme units in the new organisation structure have equal status and are managed in a way similar to the existing PACs. This will mean that a number of smaller PACs will need to be merged, particularly in Earthwatch where there are currently a large number of small PACs. In other areas of the programme new PACs will need to be set up, replacing the previous branches.

122. After reviewing in detail various organisational options, we recommend that the new organisation structure should have the following characteristics:

- An Executive Director (at USG level) with a streamlined Office of the Executive Director and a small public relations unit;

- A Deputy Executive Director (at ASG level) who also heads up UNEP's programme. We envisage that a Policy and Coordination Unit should be set up to support the Deputy Executive Director in his role as coordinator of UNEP's programme;

- Two main divisions for the substantive programme, (each headed up by an Assistant Executive Director at D-2 level); Programme area A - Natural Environment, and Programme area B - Social Environment;

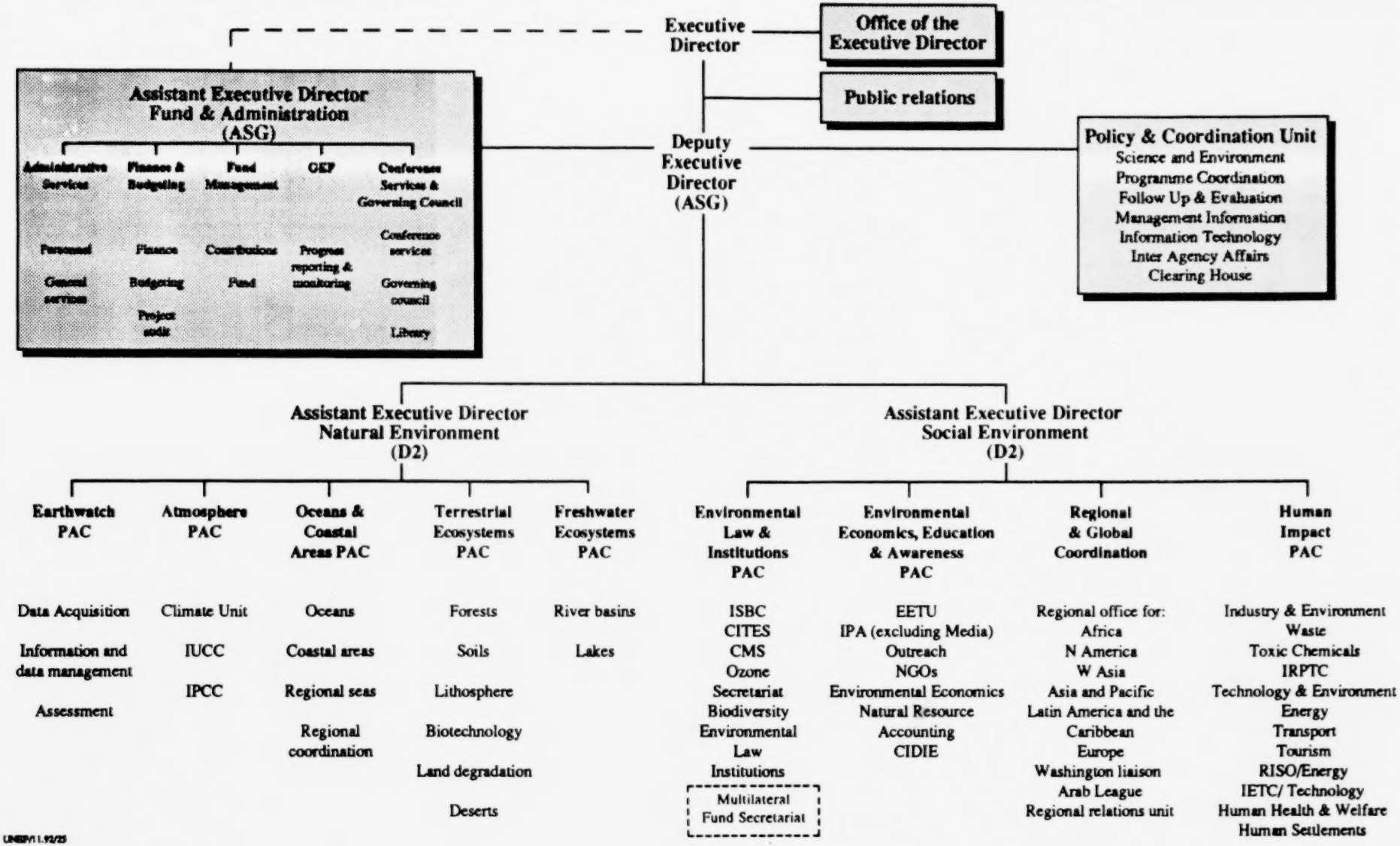
- An Assistant Executive Director (preferably at ASG level) for Fund and Administration. The functions carried out would include; administrative services - including personnel and general services functions, finance and budgeting, fund management, monitoring and progress reporting on the Global Environment Facility and Conferences and Governing Council Service - including the management of UNEP's library.

123. Programme area A would include five main organisational units or PACs covering the core environmental media - atmosphere, oceans, freshwater and terrestrial ecosystems, as well as the assessment component, Earthwatch. Programme area B would be comprised of four organisational units, one covering regional and global coordination and three which would form PACs covering supporting measures - law and institutions, economics, education and awareness raising, as well as the human impact components of the programme.

124. Figure 1 overleaf shows the top level recommended organisation structure. We envisage that each of the programme units would be managed as a PAC, with the exception of regional and global coordination. The regional and liaison offices would themselves each comprise a small PAC, with separate budgets, performance targets and accountabilities.

Recommended Organisation Structure

Figure 1



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125. We gave particular consideration to the role of the regional offices in our review of UNEP's organisation structure. We have included "Regional and Global Coordination" under the Social Environment Division because many of the activities of regional offices are closely linked with components of the social environment programme. In addition, the arrangement facilitates transfer of resources between headquarters functions and regional offices within the social environment programme, and so enabling UNEP to respond more quickly to changes in emphasis at a regional and country level. If in the future, dispersion of UNEP's activities takes place resulting in enhancement of regional activities there may be a strong case to evolve the structure and form a separate regional framework.

126. Financial planning and budgeting activities are currently undertaken jointly between the programme areas and the Office of Environment Fund and Administration, only at the highest levels. We recommended the transfer of fund management officers and personnel officers to the programme areas to facilitate the process of pushing responsibility for financial and human resource planning and budgeting down to the appropriate organisational units.

127. We recognise that UNEP is at an early stage in responding to UNCED and in the introduction of a new management style. We also recognise that the organisation structure will need to evolve, over perhaps the next biennium according to priorities and as a critical mass of resources is built up in key areas. We would therefore anticipate that modifications will need to be made to these proposals by the Executive Director and that it is likely that further modifications will be needed during 1994.

Planning, budgeting and audit

128. Against the background of decisions made at UNCED and the likely change in the format of SWMTEP, there is a good opportunity for UNEP to improve its planning and budgeting procedures and the presentation of its planning and budgeting documents submitted to the Governing Council. At present UNEP's current programme and budget document does not give a complete view of the activities of the organisation; it does not include all the sources of funds; there is no way of telling when or even whether the monies indicated will be available. We have, therefore, recommended major changes in the planning and budgeting process.

129. In view of the time required to prepare the programme and budget documents, our proposed changes, if agreed, will have to be implemented after the next Governing Council. Nevertheless, we think it might be helpful for the Governing Council to agree to a new format, which could be presented as a 'mock up' at its seventeenth session.

130. In order to achieve an overall budget, UNEP needs to modify its planning process and to develop a budget format which reflects the organisation structure. With reference to the recommended organisation structure shown in figure 1, the overall budget would therefore have three key components:

- PAC costs - relating to each of the programme activity centres under the AED (Natural Environment) and the AED (Social Environment). Budgeted costs of PACs would be divided into disbursements to supporting and cooperating agencies for external projects, and the remaining direct costs of PACs - primarily

staff costs and internal projects. PAC costs would be equivalent to the current Fund programme activities budget, together with environmental programmes within the PPSC budget - the "programme of work" in UNEP terminology.

- Administrative costs - relating to the AED (Fund and Administration) and the organisational units reporting to him - with the possible exception of Conference Services which it may be feasible to charge out to users. Administrative costs would correspond to "programme support" using UNEP terminology.

- Central management costs - relating to the Office of the Executive Director, public relations, the Deputy Executive Director, the Policy and Coordination Unit, the AED (Natural Environment) and the AED (Social Environment). Taken together, the budgets for administrative costs and central management costs would replace the current PPSC budget.

131. The budgeting procedure at UNEP would then be as set out in figure 2. Under the proposed process, the Executive Director would have the ability to move 20% of the budget between the total costs of each PAC and have full powers of virement on individual expenditure lines. These powers may be delegated by the Executive Director as appropriate.

132. It is desirable for management information purposes, to report the source of funds used by PACs and administrative and central management units, and to identify costs by their function or object of expenditure. To achieve such reporting, transactions should be coded for recording in UNEP's system identifying source of funds, organisational unit and functional cost classification. The allotment and project ledgers at UNEP, which have a three alpha digit and eight numeric digit code structure (for example "ABC 12345678") may be able to accommodate this coding with modifications to the system currently in operation.

133. The introduction of such a planning, programming, budgeting and reporting system would cover more than 90% of UNEP's activities leaving the UN regular budget to provide the funds for a small central secretariat, Conference Services and Governing Council. We believe, however, that in the longer term, UNEP should consider dispensing with the regular budget - the procedures for this budget are complex but dictated by the UN Budget Division. The results of the UN regular budget exercise should be reported to and noted by the Governing Council only - as no decision is required.

Figure 2

RECOMMENDED BUDGETARY PROCEDURES

Process	Accountabilities	Output
▪ Preparation	▪ Programme heads and fund managers, heads of organisational unit	▪ Draft the budgets - disbursements - coordination and implementation costs
▪ Preliminary prioritisation	▪ Senior management group in consultation with programme heads	▪ Division into priority and non-priority groupings
▪ First review	▪ Senior management group	▪ Results fed back to heads of organisational units
▪ Second draft	▪ Programme heads and fund managers, heads of organisational units	▪ Final draft budgets incorporating amendments of senior management group
▪ Second review	▪ Senior management group	
▪ Prioritisation	▪ Senior management group	▪ Amended budgets agreed
▪ Overall budget	▪ Executive Director	▪ Priority ranking of budgets
▪ Budget monitoring	▪ Heads of each organisational unit and senior management group	▪ Final budget presented to UNEP Governing Council
		▪ Cost reports produced

Human resources management

134. Our review of UNEP's human resource management was wide ranging and the results are set out in our full report. In this summary we have outlined those areas in which action is needed most urgently.

135. UNEP was set up in 1972 as a "small secretariat" of the United Nations, with the intention that the costs of the secretariat and those of servicing the Governing Council would be borne by the regular budget of the UN. All other employees were to be funded by voluntary contributions. The current position is somewhat different. For example, 75% of the posts in the Conference Services and Governing Council are funded by voluntary contributions. We believe UNEP should urgently review the rationale behind the allocation of posts funded from the regular budget. Furthermore, UNEP needs to define its core activities and put in place mechanisms to gain more secure funding in these areas.

136. We identified a number of issues relating to the nature of employment contracts in UNEP. The percentage of staff on fixed term contracts (most of which are of one or two years) has increased during the last year. We believe that all staff carrying out UNEP's core activities should be eligible for longer fixed term contracts of say up to five years, and ultimately eligible for permanent positions (subject to probation and performance) with career development opportunities. UNEP should continue to offer fixed term contracts only to staff in small or short-term projects and those employed to meet temporary needs.

137. We also made recommendations for improvements to the process for creation and deletion of posts. We recommend posts should be approved within a single integrated budget and so eliminate the need for separate approval of posts under each type of funding. Appointments and promotions, and the creation and deletion of all posts within this integrated budget should be within the control of the Executive Director.

138. Other areas where potential for improvement was identified included human resource planning, recruitment and promotion procedures, performance management systems and training and development. We also comment on employment practices and procedures, in particular the need for modifications to disciplinary procedures to enable the senior management of UNEP to reprimand, retrain and if necessary dismiss staff without the need to refer to the UN in New York in every instance. We suggested that the Governing Council should request the Executive Director to submit for their approval a compendium of staff rules, conditions of service and disciplinary procedures, which although modelled on UN standards should be specifically tailored to UNEP's needs.

139. We recommend that the Personnel Section in UNEP needs to be upgraded, and that emphasis should be placed on the provision of personnel services to line managers in UNEP. We believe that personnel services should be decentralised with only a core of staff remaining in the central Personnel Section. Professionally qualified personnel officers should be located in the larger PACs or at divisional level.

140. The role of these personnel officers should include the provision of advice on a range of human resource management services including recruitment, promotion and performance evaluation for their PAC or Division and working with managers to prepare a human resource plan and budget as part of the overall budgeting process. The role of the central Personnel Section should be to develop and implement human resources strategy and policy, to coordinate the preparation of human resource plans and

recruitment. In addition they would provide training services, act as a centre of expertise on complex matters such as pensions and oversee the decentralised services.

Communications

141. A contract for a local switch (a PABX) with enhanced facilities has been signed and will come into use with UNEP's move to new buildings on the Gigiri site. The next urgent need for UNEP is to improve international communications.

Voice telephone, facsimile and messaging

142. We believe that a focused demand analysis of the international traffic pattern is required in order to determine the pattern of today's (constrained) traffic as well as the future (unconstrained) traffic. An investigation of potential short term solutions will then need to be carried out, which should focus on KPTC's facilities. Options could include improved routing of traffic from the UN complex directly into KPTC's international gateway, a microwave link to replace land lines between the new PABX and KPTC's international gateway, or a special routing, numbering and potentially dedicated network capacity on links to the USA. Taking into account results of the demand analysis, the potential of longer term solutions will need to be assessed.

143. In addition, solutions for electronic messaging will need to be reviewed, including the potential of e-mail, and high speed facsimile (Group 4 fax) to cater for document transfer requirements.

Data communications and videoconferencing

144. There are a range of potential solutions to meet UNEP's data communication requirements. These include MERCURE (requiring potential capital investments of $10-$15 million), a UN specified package of solutions, or some other. In view of the potential investment, it is important for UNEP to undertake an in-depth analysis of its data requirements to establish a clear understanding of the type of services UNEP needs, the current traffic volumes and likely growth, and perhaps most importantly, the relative priority of the various requirements. Based on the results of the needs assessment, UNEP should be in a position to investigate potential solutions.

145. We also recommend that UNEP should investigate potential applications of desktop videoconferencing. These facilities could have substantial benefits in reducing travel costs and demands on the time of UNEP's key staff. Costs of videoconferencing equipment are now about $5,000 for desktop video of acceptable quality, and can be used via a modified personal computer. Also, low capacity lines (equivalent to 2 digital telephone circuits) would usually be adequate for the equipment.

Administrative services and management information systems

146. In our judgement, there is scope for improvement in the way that staff carrying out administrative and secretarial roles are managed, and a higher level of output could be achieved through tighter management and control. Considerable efficiency improvements could be achieved by the application of modern management techniques and the use of up to date information technology based systems. Such improvements could be realised through the use of computerised management information systems in the registry, mail and pouch services and the transport fleet.

147. Costs should be recharged to programme areas where they can be sensibly allocated. This will create efficiency incentives, e.g. for programme area staff to look elsewhere for services or to make more effective use of the internal administration function. This practice should cover such areas as transport, visas and shipping services.

148. International travel is subject to extremely cumbersome approval arrangements. We believe that the only effective solution is to devolve responsibility for such approvals to cost-conscious budget holders, while applying sanctions to budget holders and staff who abuse the system.

149. The increasing use of IT in UNEP is creating a growing recognition of the need for integration. The UN worldwide has adopted an Integrated Management Information System (IMIS) which should be implemented in UNEP in 1994. However, IMIS will cover only finance and personnel and as such is clearly not a complete management information system.

150. We therefore consider that UNEP should carry out a comprehensive management information strategy study to assess future information needs. The study would involve an assessment of the contribution which IT might make to UNEP's operations and determination of appropriate performance indicators and management information needs both in the short and medium term. The study will need to identify how far such needs are met by existing systems or planned developments, in particular IMIS. A specification of user requirements should be drawn up as a basis for hardware and software selection. The preferred computer systems could then be identified, and an implementation plan prepared, setting out timescales and outputs.

151. The study would require input from both experienced IT professionals and the senior management of UNEP, possibly with external assistance. In order to drive the work forward, we consider that UNEP's IT steering committee needs to be revamped, with new terms of reference.

Future institutional arrangements

152. The conclusions of UNCED and the subsequent developments as far as institutional and coordination questions are concerned have important implications for UNEP. We have set out in our report some of the areas where such change is in our view necessary and inevitable.

153. We made a number of recommendations relating to the role of UNEP's Governing Council. We believe that UNEP's governing body should be enlarged so as to be open to all the members of the United Nations or its specialised agencies. In our view, the enlarged Governing Council should meet every two years, to determine the policies and programmes of UNEP and to adopt UNEP's biennial programme and budget. UNEP should have an Executive Board with a more restricted membership which would meet in between sessions of the Governing Council, once or perhaps twice a year. The primary responsibility of the Executive Board would be to supervise the execution of UNEP's programme and budget as adopted by the Governing Council. The membership of the Board would, as is normal with UN bodies, be determined by the parent body, i.e. the Governing Council, the number and regional distribution of members being specified.

154. In the case of some UN agencies, for example the WHO, IAEA and the World Bank, the governing body meets on an annual basis. If it was decided that the UNEP's Governing Council should meet annually, rather than biennially (as we understand is now under consideration), we doubt whether there would be a need for an Executive Board.

155. We recognise the political sensitivities associated with the question of UNEP's funding and that the issue of financial resources is at the heart of the UNCED debate. However, we believe that the Governing Council should reconsider UNEP's funding arrangements, with a view to achieving a position whereby the "core programme" of the organisation should be financed on the basis of assessed contributions.

156. We see a continued important role of voluntary contributions to the UNEP budget, so as to cover the supplementary programme. In order to determine accurately the size and scope of this supplementary programme, we believe that voluntary donors should give clear and bankable pledges as to the amounts they are ready to commit to UNEP.

157. In our view the Committee of Permanent Representatives should continue to play an important role in liaison between UNEP's legislative bodies and its staff during inter-sessional periods. We suggested that a progress report by the Executive Director on a quarterly basis to a formal meeting of the CPR, and the introduction of an annual programme of ad hoc briefings by UNEP's senior management should be considered. We also recommended that the country holding the presidency of the Governing Council should normally serve as the chairman of the Committee of Permanent Representatives; the same provisions would apply to the vice-president, etc.

158. The institutional changes proposed are tantamount to giving UNEP the status of a UN agency. In essence, we are arguing for a transformation in UNEP's status that reflects better its present role and activities, as well as enhancing the part which the organisation could potentially play in the post UNCED framework.

159. In practical terms, the best way forward may well be for governments to propose a new comprehensive General Assembly resolution on the future of UNEP. Such a resolution could restate and as necessary redefine UNEP's mandate on the basis of the specific language used in chapter 38 of Agenda 21 (paragraphs 38.21-23), specify membership of UNEP's Governing Council as being open to all members of the United Nations or its specialised agencies, specify the membership of an Executive Board which would meet in between sessions of the Governing Council and define the role of the UNEP's legislative bodies and subsidiary bodies - for example the proposed single Programme and Budget Committee. In the context of UNEP's management and organisation the resolution would also need to define the role of the Executive Director as a legal entity along the lines already laid down in the GA resolution 2997 (XXVII) and of UNEP's staff, outline the basic organisational structures, including regional offices, establish a sound long-term financial basis, involving both assessed contributions and a system of "negotiated pledges", and define a new integrated budgeting and programming procedure.

160. The forthcoming 48th session of the General Assembly would therefore have to consider a new resolution on the future of UNEP, adopted by the next session of UNEP's Governing Council. Given the tightness of this schedule, we believe that it would make sense for interested governments, and of course UNEP itself, to consider these points as a matter of urgency so that drafts of relevant texts can be prepared for adoption by the Governing Council at its next session.

Action plan

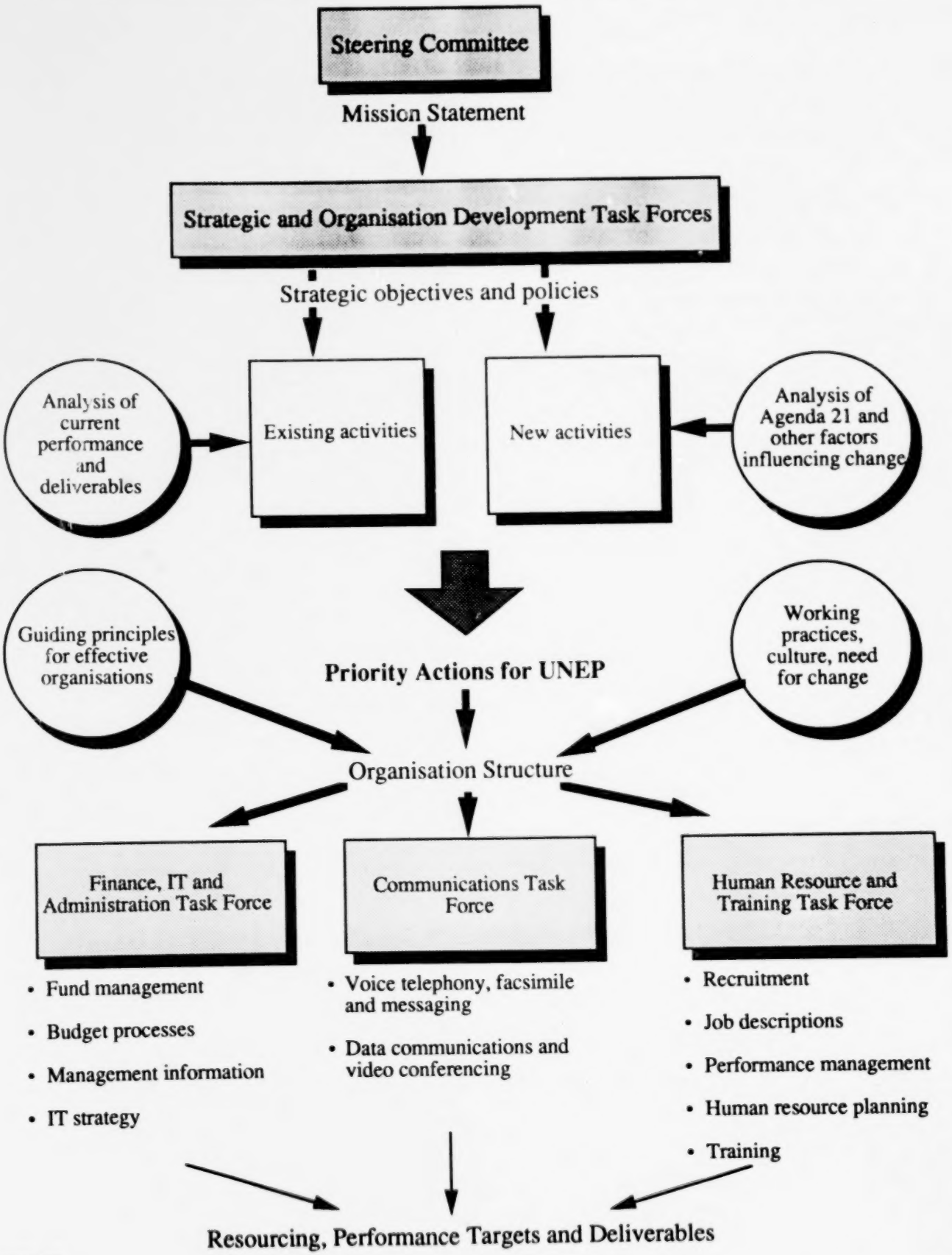
161. We have made a number of recommendations, some of which require early action at the intergovernmental level within the context of preparations for GC 17. Others are within the authority of UNEP to implement and relate to the management and operation of UNEP itself. We believe that a comprehensive action plan to cover each of these areas should be developed.

162. We suggest that a steering committee should be formed by the top management team, chaired by the Executive Director, to oversee the change-management process, and that a small number of task force teams are formed to address the key issues we have identified. The task force teams would report to the steering committee.

163. Preparation of a mission statement needs to be a priority action of the steering committee and involve members from all the task force teams. UNEP's mission can then be cascaded down into strategic objectives, policies and organisational processes. The process of organisational development is shown in figure 3, which sets out the interlinkages between the action plans of the steering committee and task force teams.

The Process of Organisational Development

Figure 3


Steering Committee
Mission Statement
Strategic and Organisation Development Task Forces
Strategic objectives and policies
Analysis of current performance and deliverables
Existing activities
New activities
Analysis of Agenda 21 and other factors influencing change
Guiding principles for effective organisations
Priority Actions for UNEP
Working practices, culture, need for change
Organisation Structure
Finance, IT and Administration Task Force
Communications Task Force
Human Resource and Training Task Force
• Fund management
• Budget processes
• Management information
• IT strategy
• Voice telephony, facsimile and messaging
• Data communications and video conferencing
• Recruitment
• Job descriptions
• Performance management
• Human resource planning
• Training
Resourcing, Performance Targets and Deliverables

164. We envisage that membership of the task force teams would vary according to the needs of the action plan, with specialists and external advisors being brought in as required. Each team should, however, have a permanent core of people who are held responsible for progress and for achievement of deliverables against plans.

165. Specific action plans with defined targets should be drawn up for each task force team. The key components of these action plans will of course, form the basis of the Executive Director's own priority actions for UNEP to be presented to the Governing Council's seventeenth session. The steering committee will need to monitor progress against these action plans regularly, to ensure that the changes are realised early and in full.

166. We suggest that four task teams should be formed initially, comprising:

TF1 - Strategic and organisation development team
TF2 - Human resources and training team
TF3 - Finance, IT and administration team
TF4 - Communications team.

We have provided a brief summary of the principal focus of each task force team in our full report.

Acronyms

AED	Assistant Executive Director
ASG	Assistant Secretary General
CGCS	Conferences and Governing Council Service
CPR	Committee of Permanent Representatives
DED	Deputy Executive Director
FAO	Food and Agriculture Organisation of the UN
FMO	Fund Management Officer
GA	UN General Assembly
GC	UNEP's Governing Council
IAEA	International Atomic Energy Agency
IMIS	Integrated Management Information System
IT	Information technology
KPTC	Kenya Post and Telecommunications Corporation
MARPOL	International Convention for the Prevention of Pollution from Ships
MIS	Management information system
OECD	Organisation for Economic Co-operation and Development
PAC	Programme activity centre
PPSC	Programme and programme support costs
SWMTEP	System-wide medium-term environment programme
UNCED	United Nations Conference on Environment and Development
UNEP	United Nations Environment Programme
WHO	World Health Organisation

United Nations

EP

Governing Council of the United Nations Environment Programme

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ITEM 4(b):* ISSUES ARISING FROM THE RESOLUTIONS OF THE GENERAL ASSEMBLY AT ITS FORTY-SEVENTH SESSION ON THE RECOMMENDATIONS OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT (UNCED)

Suggested Draft Report of the Governing Council of the United Nations Environment Programme on Plans to Implement Agenda 21 of the United Nations Conference on Environment and Development

Note by the Executive Director

Summary

In the present note, the Executive Director submits a suggested draft report of the Governing Council to comply with paragraph 25 of General Assembly resolution 47/191 of 22 December 1992 which:

"*Requests* the Governing Councils of the United Nations Environment Programme, the United Nations Development Programme and the Trade and Development Board to examine the relevant provisions of chapter 38 of Agenda 21 at their next sessions and submit reports on their specific plans to implement Agenda 21 to the General Assembly at its forty-eighth session, through the Commission on Sustainable Development and the Economic and Social Council."

The suggested draft report is designed to facilitate the Governing Council's discussion and formulation of its report to the General Assembly through the Commission on Sustainable Development and the Economic and Social Council. The report is subject to redrafting. Paragraphs printed in italics contain information that will be affected by a decision of the Governing Council at its seventeenth session. Consequently, the text would have to be redrafted to correspond to decisions of the Council.

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* Refers to the number of the item on the Provisional Agenda (UNEP/GC.17/1).

SUGGESTED DRAFT REPORT OF THE GOVERNING COUNCIL OF THE UNITED NATIONS ENVIRONMENT PROGRAMME ON PLANS TO IMPLEMENT AGENDA 21 OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT (UNCED)

Introduction

1. The present report is submitted in response to paragraph 25 of General Assembly resolution 47/191 of 22 December 1992, in which the General Assembly calls for the Governing Council to examine Chapter 38 of Agenda 21 and report to the General Assembly at its forty-eighth session, through the Commission on Sustainable Development and the Economic and Social Council, on the Governing Council's specific plans to implement Agenda 21.

2. Further, in paragraphs 21 and 22 of that same resolution, the General Assembly calls for reports to be made on the steps taken to implement Agenda 21. The present report is designed so as to reply to that request as well.

UNCED reinforces UNEP's responsibilities

3. After reviewing Agenda 21, the Governing Council believes that virtually all of UNEP's activities are addressed in Agenda 21, and that the general thrust of Agenda 21 is to reinforce UNEP's role and mandates, without changing them significantly, and to point the way to changes in the emphasis, rather than major changes in the substance, of UNEP's programme.

4. Agenda 21 reinforces the basic catalytic and coordinating role of UNEP as laid down in General Assembly resolution 2997 (XXVII) of 15 December 1972, as well as the Governing Council's responsibilities for promoting international cooperation in the field of the environment, providing policy guidance for environmental programmes within the United Nations system, reporting on United Nations environmental programmes, reviewing the state of the world environment, promoting exchange of knowledge and reviewing the impacts of national and international policies and measures, especially on developing countries.

5. Agenda 21, in particular Section II on conservation and management of resources for development, coincides with Governing Council decision 15/1 of 25 May 1989 concerning strengthening the role and effectiveness of UNEP. In that decision the Council decided that UNEP should focus on eight areas of concentration: protection of the atmosphere, including climate change and global warming, the ozone layer and transboundary air pollution; protection of the quality of freshwater resources; protection of oceans and coastal areas; protection of land resources by combating deforestation and desertification; conservation of biological diversity; environmentally sound management of biotechnology; environmentally sound management of hazardous wastes and toxic chemicals; and the protection of human health and quality of life from degradation of the environment.

6. Agenda 21 also incorporates many of the elements proposed by the Governing Council in the annex to its decision 15/3, elements that it proposed to the General Assembly for possible inclusion in a resolution concerning the convening of a United Nations Conference on Environment and Development. The Agenda also contains many of the elements essential for sustainable development outlined in the Environmental Perspective to the Year 2000 and Beyond, formulated by the Governing Council and adopted by the General Assembly in resolution 42/186 of 11 December 1987. The

companion resolution to 42/186 was resolution 42/187 of the same date in which the Assembly welcomed the report of the World Commission on Environment and Development. The decisions of the Council at its third special session (3-5 February 1992) are also reflected in Agenda 21.

UNEP's plans to implement Agenda 21

7. Agenda 21 provides a significant opportunity to integrate developmental and environmental considerations into a programme of specific achievable actions to support sustainable development. It reinforces UNEP's role and responsibilities in the field of the environment, and UNEP can make an important contribution to Agenda 21's implementation. The Governing Council pledges full support to the implementation of Agenda 21 and has called upon the Executive Director of UNEP to make every effort to strengthen, orient and adjust as appropriate, UNEP's activities, programmes and medium-term plan and other activities, to help achieve the objectives of Agenda 21.

8. In this respect, the Governing Council at its seventeenth session has noted with satisfaction that the Executive Director has restructured the UNEP Proposed Programme of Fund Activities, with 12 subprogrammes, four of them new, to facilitate cross-referencing with Agenda 21 and to give a clearer overview of UNEP's integrated work programme during formulation, development, implementation and reporting. The Council also noted that UNEP's restructured programme was presented to the thirty-third session of the United Nations Committee on Programme and Coordination in 1992. The Committee incorporated UNEP's programme into the revised United Nations Medium Term Plan 1994-1995, giving high priority to nine of the environmental subprogrammes. The plan was approved by the General Assembly at its forty-seventh session.

9. The Council acknowledges that implementation of environmental assessment and management programmes is fundamentally the responsibility of Governments. The role of UNEP in particular is to provide encouragement, support and assistance in the development of the environmental components of Agenda 21 programmes, as well as to ensure the availability of information, assessments and, to the extent possible, technologies and resources to achieve sustainable development goals. Agenda 21 is to be carried out over a period of time with the involvement of many participants. UNEP as a catalytic and coordinating organization for the environment, would encourage and stimulate a wide range of organizations, including Governments and United Nations agencies, non-governmental organizations and business, professional, scientific and community action groups, to take measures to achieve sustainable development goals.

Implementing Chapter 38 - International institutional arrangements

10. In implementing Agenda 21 the Governing Council attaches priority to Chapter 38 on international institutional arrangements, in particular subsection H.1, paragraphs 38.21 to 38.23, which pertain to UNEP. In line with the priority areas on which UNEP is requested to concentrate in paragraph 38.22, the Council has approved the actions described in paragraphs 11 to 38 below, which correspond to those of Chapter 38, paragraphs 38.21 to 38.23 concerning the United Nations Environment Programme.

Strengthening UNEP's catalytic role in stimulating and promoting environmental activities and considerations throughout the United Nations system

11. In promoting the integration of environment and development to achieve sustainable development, UNEP's traditional catalytic role will assume even greater importance and needs to be emphasized. UNEP's renewed actions to cooperate with other members of the United Nations system in advancing the agreed work in monitoring and assessment, for example, through the development of an early warning system under Earthwatch, and in providing assistance in cases of environmental emergencies as well as continuing to develop and implement international environmental law are all important examples of the catalytic work of UNEP. In addition, UNEP's new work in collaboration with other United Nations bodies, on environmental economics and natural resource accounting, on environmental indicators and in the development of a United Nations system approach to environmental impact assessment will encourage and support complementary action in the United Nations system. The Council will regularly review UNEP's existing catalytic efforts, such as the Regional Seas Programme, the Earthwatch work of the Global Environment Monitoring System (GEMS), INFOTERRA and the International Register of Potentially Toxic Chemicals (IRPTC), the education, training and capacity building and information work, with a view to enhancing their contribution to the implementation of Agenda 21.

Promoting international cooperation in the field of environment and recommending appropriate policies to that end

12. The Council will continue to exercise its responsibilities in promoting cooperation and recommending policies in the field of the environment and will give high priority to the additional priorities in Chapter 38 of Agenda 21. The Council will also monitor UNEP's work concerning the other chapters of Agenda 21 to ensure that UNEP's cooperation with other participants and its policy responsibilities are exercised to the fullest. The Council believes that the strengthening of environmental management programmes and of Earthwatch's monitoring, assessment, early warning and emergency response activities and improving approaches to environmental capacity building and environmental technology transfer are required in order to develop fully UNEP's cooperation and policy functions.

Developing and promoting the use of techniques such as natural resource accounting and environmental economics

13. The Governing Council, in anticipating the need for greater work in the field of environment and economics, has at its seventeenth session approved the strengthening of UNEP's programme and work in this area, with particular emphasis on environmental economics, natural resource accounting, environmental impact assessment, and the valuation of environmental and natural resources. The focus of this effort is on promoting the synthesis of economic analytical tools and instruments, testing and employing such tools, integrating environmental and natural resource accounting methodologies, developing policy instruments for environmental management and applying economic tools, especially for use in developing countries. This work will be conducted in close association with other United Nations organizations and development assistance institutions (e.g. World Bank, United Nations Development Programme (UNDP), United Nations Conference on Trade and Development, the United Nations Regional Economic Commissions, the General Agreement on Tariffs and Trade (GATT), the International Monetary Fund (IMF) and the Organisation for Economic Cooperation and Development (OECD).

Environmental monitoring and assessment, both through improved participation by the United Nations system agencies in the Earthwatch programme and expanded relations with private scientific and non-governmental research institutes; strengthening and making operational its early-warning function

14. The Governing Council believes that Earthwatch will play a significant role in the implementation of Agenda 21. The global environmental assessments emanating from this United Nations system programme, coordinated by UNEP, should provide a basis for identifying existing knowledge and data and ascertaining where they can be found; pin-pointing gaps and generating new knowledge needed to guide decision-making; gathering and evaluating specific data to discern and predict important environmental conditions and trends; disseminating knowledge and data to scientists and technologists; and providing decision makers at all levels with the best and timely information in useful forms. The programme needs to draw upon the best scientific research, technologies and information available, and to this end its cooperation with private and non-governmental research institutes will be expanded. Earthwatch will help to identify emerging problems, assess risks and issue early warnings where required. On the basis of its assessments, and in association with management, Earthwatch will contribute to proposing policies to reduce risks, combat environmental degradation and manage resources.

15. In response to General Assembly resolution 44/224 of 22 December 1989, UNEP has already begun to introduce early warning elements into Earthwatch's monitoring programmes. In cooperation with the United Nations Advisory Committee for the Coordination of Information Systems (ACCIS), UNEP is preparing a register of assessment-related environmental activities in the United Nations system as a first step towards establishing a continuing database or compendium. It is developing a computerized catalogue of geographic-based environmental data sets which will facilitate user access to such data through its Global Resource Information Database (GRID) network of cooperating centres. UNEP has published a guidebook for developing countries on preparing for drought and is developing guidelines for early warning of pollution of freshwater resources. UNEP is establishing additional relationships with government agencies, organizations and research institutes with a view to strengthening Earthwatch and its early-warning capability. The Governing Council accords this work high priority.

Coordination and promotion of relevant scientific research with a view to providing a consolidated basis for decision-making

16. The Governing Council is of the view that sound science and research, upon which UNEP's main achievements have been firmly based, must be at the heart of UNEP's work. UNEP's environmental assessment programme in support of Earthwatch, which encompasses GEMS, GRID, IRPTC and INFOTERRA, was founded to coordinate and provide information from the world's best science and research on all aspects of the environment - terrestrial, oceanic, atmospheric and renewable resources. This information led to the agreement on environmental management programmes in chemicals, the oceans and regional seas and human health. The results of UNEP coordinated science and research assisted Governments to reach environmental protection agreements on ozone depletion, hazardous wastes, climate change and biological diversity.

17. The Governing Council will ensure that UNEP's emphasis on sound research and scientific information will continue and be directed increasingly to the needs of sustainable development and implementing Agenda 21. For example, in light of UNCED, UNEP's desertification

programme has redirected its research toward the social impacts of desertification, the economic costs and linkages, and success stories of dryland protection. The terrestrial ecosystem programme is reorienting its efforts towards the application of economic tools in national policies for ecosystems management, for example, concerning forests, water, fisheries and agriculture. For the Intergovernmental Panel on Climate Change (IPCC) UNEP's climate programme is coordinating climate-related country studies. Within the World Meteorological Organization's World Climate Programme, the World Climate Impact Assessment and Response Strategies Programme (WCIRP), coordinated by UNEP and with the IPCC and OECD, will provide national inventories of greenhouse gas sources and sinks that will contribute substantially to the objectives of Agenda 21. UNEP is cooperating with WMO, the Intergovernmental Oceanographic Commission of the United Nations Educational, Cultural and Scientific Organization (IOC/UNESCO) and the International Council of Scientific Union in the development of the Global Climate Observing System (GCOS) and, additionally, UNEP and the Food and Agriculture Organization of the United Nations (FAO), WMO, UNESCO and the World Conservation Union (IUCN) are exploring the development of a Global Terrestrial Observing System (GTOS) to help determine the effects of climate change on terrestrial ecosystems. Many other components of UNEP's scientific and research activities will be directed to sustainable development issues.

Dissemination of environmental information and data to Governments and to organs, programmes and organizations of the United Nations system

18. UNEP's information dissemination activities for Governments and the United Nations system will increasingly focus on the needs of sustainable development and the objectives set out in Agenda 21. Such activities include the scientific information services of the environmental components of Earthwatch, GEMS, INFOTERRA, IRPTC and GRID; the provision of environmental data in usable forms; the preparation of publications on climate, fresh water, oceans, desertification, biological diversity, hazardous wastes and toxic chemicals, health, law and education; and regular news releases, special information packages, features, films, television, exhibits and maintenance of regular contact with Governments and other United Nations organizations.

19. The publication of The World Environment 1972-1992 in December 1992 was an important UNEP contribution to understanding the state of the world environment. Commissioned by the Governing Council, the 884-page report outlines the major environmental issues and trends over the past 20 years, from the United Nations Conference on the Human Environment, held in Stockholm in 1972, to UNCED in 1992. It defines the causes and consequences of the decline of much of the world's environment during that period by linking the environmental conditions to human economic activity. It details the national and international responses to environmental conditions and sets forth an agenda of corrective actions, consistent with Agenda 21, for the community of nations. The Council believes the publication is an important benchmark for action on sustainable development and at its seventeenth session agreed to provide another world environment report 10 years hence.

20. At its seventeenth session the Governing Council also noted that steps will be taken to enhance further UNEP's information dissemination activities by approving a new approach to reporting on the state of the environment. The Council's action entails the regular preparation and dissemination of sectoral/topic-specific scientific reports, assessments and environmental data compilations on topics such as biodiversity, non-renewable resources, pollution and socio-economic aspects of environment and development. As stated in paragraph 19 above, it has requested a comprehensive state of the environment report every 10 years. To assist

the Governing Council to keep the world situation under review, it has requested the Executive Director to continue to make a statement at each Council session on key environmental policy issues, new environmental concerns, early warning, environmental events of global significance and actions that should be taken. These reports will be made available to Governments, the United Nations system and the public at large.

Raising general awareness and action in the area of environmental protection through collaboration with the general public, non-governmental entities and intergovernmental institutions

21. The Council believes that much of the information provided by UNEP mentioned in the foregoing paragraphs will raise the environmental awareness of the general public, the media, non-governmental entities and intergovernmental institutions. In addition, the Council has called upon the Executive Director to enhance cooperation with non-governmental organizations. As a consequence, UNEP will broaden its programme to reach out to a wider constituency of the non-governmental community action organizations, including those of women and youth, to encourage them to incorporate environmental protection and sustainable development activities into their current and future programmes of work. The format of UNEP's collaboration with community action organizations such as the World Organization of the Scout Movement, World Association of Girl Guides and Girl Scouts and the Red Cross, will be applied in designing community-level programmes with Rotary International, the International Lions Club, the Young Womens' Christian Association and Young Mens' Christian Association, and used as a model for cooperation with other non-environmental NGOs, including those specializing in rural development.

Further development of international environmental law, in particular conventions and guidelines, promotion of its implementation, and coordinating functions arising from an increasing number of international legal agreements, inter alia, the functioning of the secretariats of the Conventions, taking into account the need for the most efficient use of resources, including possible co-location of secretariats established in the future

22. UNEP will continue to work closely with Governments and members of the United Nations system to develop international legal instruments, in particular guidelines and conventions, to help meet the information requirements of such instruments, to promote their implementation and contribute to the process of monitoring compliance. New areas of attention will be assistance to the Intergovernmental Negotiating Committee for the Elaboration of an International Convention on Desertification. UNEP will also consider measures for formulating a possible international legal instrument on the Prior Informed Consent (PIC) procedure, contained in the Amended London Guidelines for the Exchange of Information on Chemicals in International Trade and the FAO International Code of Conduct on the Distribution and Use of Pesticides. There will also be consideration of possible steps toward an instrument for protecting the marine environment against pollution from land-based sources.

23. Importance will also be placed on implementing recently achieved environmental agreements. High priority will be given to the early entry into force and effective implementation of the Convention on Biological Diversity and to establishing its work programme and interim secretariat.

24. To promote further sustainable development through international environmental law, the Governing Council is also encouraging more active implementation of other international environmental agreements for which UNEP bears responsibility - the eight regional seas conventions, the Vienna Convention for the Protection of the Ozone Layer, the Montreal Protocol on Substances that Deplete the Ozone Layer and its amendment, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the Bonn Convention on the Conservation of Migratory Species of Wild Animals (CMS). The Council will also ensure that the UNEP secretariat will continue to contribute to the work on other legal instruments, among them the United Nations Framework Convention on Climate Change. Further, the Council will review the needs for additional measures to strengthen international environmental law within the framework of UNEP's Montevideo Programme for the Development and Periodic Review of Environmental Law for the Present Decade.

25. Aware of the continuing need to assist Governments, especially in developing countries, to develop national environmental legislation, the Council has requested the Executive Director to provide increased assistance to Governments for this purpose and, to this end, to seek to work closely with UNDP in its Capacity 21 programme, as well as with other United Nations agencies and relevant international organizations.

26. Additionally, the Council is acutely aware of the importance of providing coherent coordination, cooperation and consultation among the environmental conventions and interim secretariats administered by UNEP, in order to improve the effectiveness of convention implementation, and has requested the Executive Director to promote further measures to that end.

Further development and promotion of the widest possible use of environmental impact assessments, including activities carried out under the auspices of United Nations specialized agencies, and in connection with every significant economic development project or activity

27. Drawing upon its experience in developing methodologies, guidelines and principles and in training in environmental impact assessment, and drawing upon the recent advances in methodologies and techniques in the field of environmental impact assessment, UNEP will seek to work within the Inter-agency Committee on Sustainable Development (IACSD), the new coordinating machinery under the Secretary-General's Administrative Committee on Coordination (ACC), to introduce additional and appropriate environmental impact assessment procedures into the developmental projects and activities of the United Nations system.

Facilitation of information exchange on environmentally sound technologies, including legal aspects, and provision of training

28. At its seventeenth session, the Governing Council reinforced its earlier decision 16/33 to promote the transfer of environmentally sound technology through UNEP's Cleaner Production Programme, which facilitates the transfer of technologies and management tools that reduce emissions at the source and conserve raw materials and energy. It also authorized initial steps for UNEP to consider ways to develop international guidelines on information exchange between exporters and importers regarding the environmental impacts of potentially harmful technologies.

29. UNEP's Industry and Environment Programme Activity Centre will continue to promote the exchange of information on cleaner production technologies, develop its Ozonaction information clearing-house to provide information on CFC substitute technologies for protecting the ozone layer, and carry out technology assessment work. The newly established UNEP International Environmental Technology Centre in Japan will provide information, training and consulting services on technologies used in environmental protection and enhancement of urban areas and freshwater lakes. The World Conservation Monitoring Centre (WCMC), a collaborative organization among UNEP, World Wide Fund for Nature, IUCN, and the World Resources Institute (WRI), will continue to provide assessments of the distribution and abundance of the world's species. UNEP's Collaborating Centre on Energy and the Environment in Denmark will continue to promote information exchange on energy technologies in the development of environmentally sound national energy plans. The Earthwatch programmes are encouraging the exchange of information and provision of training in information handling technologies as part of their work and the UNEP-led secretariats for the conventions on ozone, hazardous wastes and biological diversity are promoting the identification of valuable new technologies in their respective fields.

30. Convinced that the transfer of technology is central to protection of the environment and the needs of developing countries, the Governing Council will continue to promote, where possible, the flow of information and training for new environmentally sound technologies in each of UNEP's programmes.

Promotion of subregional and regional cooperation and support to relevant initiatives and programmes for environmental protection, including playing a major contributing and coordinating role in the regional mechanisms in the field of environment identified for the follow-up to UNCED

31. Recognizing that many environmental problems can be solved only through regional collaboration, the Governing Council notes with satisfaction that UNEP's existing programmes devote substantial emphasis to regional cooperation. The Regional Seas Programme and its subregional programmes represent a world-wide regional approach to protecting oceans and coastal areas. The programme for the Environmentally Sound Management of Inland Waters (EMINWA) represent another example of a regional approach, as do the Cairo Programme for African Cooperation of the African Ministerial Conference on the Environment (AMCEN), the Action Plan for the Environment in Latin America and the Caribbean, the Plan of Action of the Council of Arab Ministers Responsible for Environment (CAMRE), and the support to environmental programmes in Europe and to subregional programmes in Asia and the Pacific.

32. UNEP recently developed new, bilateral cooperative environmental programmes with the United Nations Regional Economic Commissions. Through the Committee of International Development Institutions on the Environment (CIDIE), it cooperates with the regional development banks and with UNDP/United Nations Sudano-Sahelian Office in implementing the Plan of Action to Combat Desertification in the Sudano-Sahelian region.

33. The Council has encouraged the Executive Director to enhance these and other regional cooperative activities whenever possible and to explore constructive new regional cooperative work in support of Agenda 21.

...

Provision of technical, legal and institutional advice to Governments, upon request, in establishing and enhancing their national legal and institutional frameworks, in particular, in cooperation with UNDP capacity-building efforts

34. The Governing Council at its seventeenth session approved a Proposed Programme of Fund Activities for UNEP, which includes an expanded programme of capacity building in virtually every area of UNEP's work. The Governing Council is determined that capacity-building will become an even greater field of UNEP's priority attention. To highlight the priority placed on capacity-building and to focus this work more clearly, a separate subprogramme section has been introduced for "Capacity-Building for Environmentally Sound and Sustainable Development", which seeks to enhance UNEP's existing capacity building and training activities. All other UNEP subprogrammes contribute to the realization of capacity-building designed to coordinate and strengthen the analytical, policy, institutional and practical capabilities of countries to pursue sustainable development.

35. Meanwhile, UNEP has joined other United Nations organizations and agencies to contribute to UNDP's Capacity 21 programme. The UNEP secretariat has developed a proposal for enhancing UNEP's capability to provide capacity building services to developing countries and is exploring the possibility of its broad cooperative use with UNDP, bilateral assistance agencies and with international lending institutions through the CIDIE. Additionally, in collaboration with UNESCO, the International Labour Organisation (ILO), the United Nations Industrial Development Organization (UNIDO), UNDP, Governments and universities, UNEP recently established an additional course for environmental managers from developing countries at Adelaide University (Australia), which supplements similar training programmes at universities in Finland, Germany, Switzerland and the United States. UNEP is continuing its cooperation with UNESCO in the International Environmental Education Programme to give an environmental dimension to national educational systems.

Supporting Governments, upon request, and development agencies and organs in the integration of environmental aspects into their development policies and programmes, in particular through provision of environmental technical and policy advice during programme formulation and implementation

36. Through UNEP's current technical assistance activities in each programme area, the growing International Environmental Education Programme, the enhanced capacity-building efforts throughout the United Nations system, the contribution of a restructured Global Environment Facility (GEF) and other measures taken to carry out Agenda 21, the Governing Council believes UNEP and the other members of the United Nations system will increasingly provide assistance to Governments in integrating environmental concerns into development policies and programmes. In reviewing the Proposed Programme of Fund Activities at its seventeenth session the Governing Council ensured that activities to assist developing countries to assess, monitor and manage environmental problems in accordance with national objectives and priorities were reflected in major programme areas, particularly in the work of the regional environmental programmes, and in Earthwatch programmes. UNEP has also given prominence to strengthening the organizational, administrative, legislative and planning infrastructure in its Clearing-house, international law and capacity building programmes. Each of UNEP's environmental management sectors has incorporated means for assistance in formulating policy and provision of technical advice and training. The Council will keep this mandate and UNEP's programmes under continuing review and report on them accordingly.

Further developing assessment and assistance in cases of environmental emergencies

37. The Governing Council believes there is a need to develop further assessment and assistance to countries in cases of environmental emergencies. The Council also believes that the United Nations can assist in meeting this need. At its sixteenth session in 1991, the Council, in its decision 16/9, endorsed the Executive Director's proposal to develop on an experimental basis a "United Nations centre for urgent environmental assistance acting in cooperation and in coordination with other United Nations agencies, focusing on assessment of and responses to man-made environmental emergencies." The Council noted at that time that a number of Governments and United Nations agencies had emergency capabilities and centres which, it hoped, a United Nations emergency centre might complement and reinforce. At its seventeenth session, the Council reviewed the work of the Centre and decided to continue the Centre's experimental phase for two more years. It recommended that in that time a number of changes should be made in the Centre's direction before the Governing Council could make a final decision on its future.

38. With regard to emergency preparedness, the Council calls attention to UNEP's Awareness and Preparedness for Emergencies at the Local Level (APELL) programme, which is carried out in cooperation with private industry. The programme helps local communities to be alert to and develop their own emergency response plans for industrial hazards. With a network of 69 national focal points, the APELL programme disseminates and exchanges information and offers training and assistance in the case of emergencies. It provides an excellent example of capacity-building and of implementing the emergency response called for in Agenda 21.

Implementing Chapter 38, paragraph 38.23

39. Agenda 21, paragraph 38.23, calls for greater expertise and financial resources for UNEP to perform its Agenda 21 functions. It also calls for closer cooperation and collaboration with other organizations, the strengthening of UNEP's regional offices without weakening its Nairobi headquarters, and the intensifying of cooperation with UNDP and the World Bank. At its seventeenth session, from 10 to 21 May 1993, the Governing Council approved an appropriation of $____ million for a core programme for the biennium 1994-1995 from the Environment Fund of UNEP. It approved an additional appropriation of $____ million for use as and when additional resources became available.

40. The Council noted with concern that the 1992 target of $100 million for contributions to the Environment Fund, which it had agreed upon at its fifteenth session in 1989, had not been achieved. Rather, 1992 contributions were estimated at $63.95 million, well short of the target. Consequently, the Council called upon all Governments to contribute to or increase their contributions to the Environment Fund.

41. Since the Conference at Rio, the UNEP secretariat has held numerous discussions related to UNCED with development organizations within and outside the United Nations system, most notably the regional development banks, both bilaterally and within the framework of CIDIE and GEF. United Nations agencies and programmes have held detailed discussions on the implementation of Agenda 21 within the framework of the United Nations Administrative Committee on Coordination (ACC) and its Inter-Agency Committee on Sustainable Development.

42. As to strengthening UNEP's regional offices, at its fifteenth session, in 1989, the Governing Council endorsed the strengthening of UNEP's regional office system when resources became available. The Council regrets that there have not been sufficient resources to achieve this, and

it has called upon member Governments to seek to increase their contributions in the years ahead. The Council welcomes the Executive Director's expression of intention to strengthen UNEP's regional offices to enable them, along with other duties, to contribute to the implementation of UNCED at the regional level.

Highlights of the implementation of other aspects of Agenda 21

43. The Governing Council notes that UNEP's responsibilities for implementing Agenda 21 go well beyond the specific actions called for in Chapter 38 of Agenda 21. In addition to those actions, major UNEP contributions to UNCED and Agenda 21 are highlighted in paragraphs 44 to 51 below.

Protection of the atmosphere (Chapter 9)

44. UNEP will work closely with Governments and United Nations agencies in supporting the implementation of the Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol and of the Framework Convention on Climate Change, in particular through the coordination of climate-related country studies and through encouraging education and awareness-raising programmes. UNEP will also support and participate in research, monitoring, observing and assessment programmes, specifically the World Climate Programme, the Intergovernmental Panel on Climate Change and the Global Climate Observing System.

Combating Deforestation (Chapter 11)

45. UNEP will cooperate fully with Governments and United Nations agencies in further work on the development of the non-legally binding authoritative statement of principles for a global concensus on the management, conservation and sustainable development of all types of forests. It will also take part in the coordination of global and regional forest assessments and in the development and dissemination of forest data.

Managing Fragile Ecosystems: Combating Desertification and Drought (Chapter 12)

46. UNEP will work closely with the Intergovernmental Negotiating Committee for the Elaboration of a Convention on Desertification and its Secretariat in developing the Convention. UNEP databases, assessments and information on a national desertification strategy, as well as the advisory service in international law will be made available for the negotiators' use.

Protection of the oceans (Chapter 17)

47. The Governing Council at its seventeenth session decided to convene in January 1994 an intergovernmental meeting on the protection of the marine environment from pollution from land-based sources.

48. For the organizers of the Global Conference on the Sustainable Development of Small Island States, UNEP will cooperate fully in holding regional technical preparatory meetings and in working out the preparations for the conference, making available support from its Regional Seas Programme and funding for participating experts.

Environmentally sound management of toxic chemicals (Chapter 19)

49. At its sixteenth session, in 1991, the Governing Council requested UNEP's Executive Director to consult with ILO, World Health Organization (WHO) and others to develop proposals for an intergovernmental mechanism for risk assessment and management of chemicals. Paragraph 19.76 of

Agenda 21 invites the Executive Heads of UNEP, ILO and WHO to organize an intergovernmental meeting within one year to consider the establishment of an intergovernmental chemical safety forum which the UNEP secretariat is now preparing to organize with its partner agencies in the United Nations.

Global Environment Facility (GEF)

50. The Governing Council recognizes that the GEF can serve as an important source of funding for the implementation of Agenda 21, and the Council places high priority on UNEP's cooperation with the World Bank and UNDP in implementing the work of the GEF. At its seventeenth session, in May 1993, the Council endorsed UNEP's participation in GEF's post pilot phase, noting UNEP's special mandate as the principal United Nations environmental body and bearing in mind the recommendations concerning GEF in Agenda 21. The Council noted the progress achieved so far in restructuring the Facility and welcomed the invitations for GEF to serve as the interim funding mechanism for the Conventions on Biological Diversity and Climate Change.

Strengthening the role of major groups

51. For years, through its Outreach programme, UNEP has carried out active programmes of environmental cooperation with groups of women, children and youth, non-governmental organizations, local authorities, business and industry, scientific and technological communities and others. In the months ahead, these efforts will be enhanced and activities with new groups will be considered, with a view to promoting cooperation on sustainable development.

Additional Governing Council actions to enhance implementation of Agenda 21

52. In addition to the numerous actions outlined above, the Governing Council has initiated or reviewed a number of other actions to implement Agenda 21.

Cooperation between UNEP and the Commission on Sustainable Development

53. The Governing Council looks forward to cooperating fully with the Commission on Sustainable Development (CSD) as the Commission carries out its function of reviewing and monitoring progress and providing appropriate recommendations to the General Assembly in the implementation of Agenda 21 (paragraph 38.13). UNEP will publish reports on its activities concerning implementation (paragraph 38.4) and will participate in the review of CSD's work (paragraph 38.11) to be carried out by the Economic and Social Council.

Governing Council decisions on the strengthening of UNEP

54. The Governing Council intends that UNEP will play a vital role in the implementation of Agenda 21 and the Council's regularly seeking ways to strengthen UNEP. At its fifteenth session, the Council proposed a number of measures to improve UNEP's effectiveness and the Council will review UNEP's activities periodically to see what additional measures may be required to strengthen UNEP's implementation of Agenda 21.

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ITEM 4 (a):* GENERAL POLICY ISSUES

THE FUTURE COURSE OF THE UNITED NATIONS ENVIRONMENT PROGRAMME

Report of the Executive Director

Summary

This document - the present Executive Director's first policy statement to the Governing Council - outlines some of the Executive Director's observations about the task ahead for UNEP in the light of its redirected and expanded agenda and heightened responsibilities as a result of the United Nations Conference on Environment and Development (UNCED).

After discussing the new place of the environment on the global agenda and the developments since UNCED, it sets forth the Executive Director's views on new management approaches and programme priorities for UNEP for it to be more effective in the implementation of Agenda 21 and seeks the Council's guidance on the subject. Finally, it reviews some of the main policy aspects of the Council's seventeenth session, again presenting the Executive Director's views and proposals and seeking guidance from the Council.

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* Refers to the number of the item on the Provisional Agenda (UNEP/GC.17/1).

THE FUTURE COURSE OF THE UNITED NATIONS ENVIRONMENT PROGRAMME

I. THE ALTERED WORLD ENVIRONMENT SITUATION

1. The world community now faces a rare opportunity to make the development process sustainable and thereby bring economic activities more into balance with the earth's natural systems. The two decades of continuing environmental destruction since the 1972 United Nations Conference on the Human Environment, the stagnation of many developing country economies in the 1980s and the recent slow-down in world economic growth have convinced world decision makers that sound economic development depends upon protection and enhancement of the environment and that the well-being of each of us depends as never before on the well-being of others.

2. The United Nations Conference on Environment and Development (UNCED) turned that conviction into a commitment. The results of the Conference and particularly Agenda 21[1] map out an international programme integrating environment and development for sustainable development, and shift the future focus of world concern from East-West confrontation to North-South cooperation.

3. Thus within two decades, environment has catapulted from what was regarded as largely an affluent country concern to a central component of humanity's future agenda for prosperity. And with the General Assembly's endorsement of the Rio Declaration on Environment and Development[2] and Agenda 21 and their goal for a global partnership for sustainable development, UNEP - as the principal body within the United Nations system in the field of environment - has been directed to assume a much greater responsibility in world decision-making and action.

4. This redirected and vastly expanded agenda and heightened responsibility for UNEP requires a serious review at this Governing Council session of the organization's programme and methods of work. Such a review may well make it clear that there is a need to readjust UNEP's course in a number of ways, revisit its priorities, seek some new directions and find different ways of carrying out its tasks. This will be a collaborative process over several years.

II. NEW DIRECTIONS IN MANAGEMENT OF UNEP

5. Against the backdrop of this changing situation for the world and for the United Nations' central environmental organization, the purpose of the present document - the Executive Director's first policy statement to the Governing Council - is to outline some of her observations about the task ahead for UNEP and the directions toward which the organization should move during the next four years. First and foremost, UNEP has an extremely important role in making the vital concept of sustainable development a reality. The implementation of that concept is essential for protecting life on earth.

A. *Looking ahead*

6. In preparation for this task, the Executive Director has taken a look at the organization both from the outside and inside. Since joining UNEP early this year, she has made a point of visiting many parts of the organization, travelling to each of the regional offices, meeting with heads of its outlying technical offices and visiting with the numerous

convention secretariats that UNEP manages or participates in, in order to meet the staff, share with them her views on UNEP's job and learn how they perceive it and what additional presence and service they can provide for UNEP.

7. She has also made a point of visiting as many of the partners with whom UNEP must cooperate in order to express the organization's desire to work increasingly with them in the many new tasks all face. She has met with the Secretary-General and his principal staff, with all of her counterparts in United Nations agencies and organizations and called upon the new heads of United Nations departments and of the Inter-Agency Committee on Sustainable Development, as well as the executive secretaries of the United Nations regional economic commissions. She has exchanged views with UNEP's other partners in the Global Environment Facility (GEF) - the World Bank and the United Nations Development Programme - and attended meetings of the Multilateral Fund under the Montreal Protocol, the intergovernmental negotiating committees for the climate change and desertification conventions and CITES. She has also met with leaders in non-governmental organizations and the private sector - the environmental, business, academic and scientific communities and the media. There have been many others.

8. In each of these encounters, the Executive Director has emphasized the importance of the work UNEP and all its partners face together and pledged UNEP's desire and intention to cooperate with them in striving to achieve sustainable development. The positive response and the numerous creative and constructive suggestions have been gratifying. Equally encouraging has been the general will to join hands in this effort and to accept a special responsibility to help governments integrate environment, development and population issues and translate the Rio programme into action - action which will bring the interests and the needs of South and North together, link environment to the deepening problems of poverty and benefit from the now universally recognized reality of global interdependence.

B. *UNEP and its tasks*

9. At the same time, the Executive Director has been looking inward at UNEP, reflecting on the important new mandate and tasks it has been assigned, especially by the Earth Summit. UNCED marks a new beginning for UNEP. In the presence of 106 Heads of State or Government - the largest gathering of national political leaders in history - it gave political legitimacy to the concept of sustainable development which UNEP has advocated for years and which the World Commission on Environment and Development popularized in its report *Our Common Future*.[3]

10. UNCED provided a philosophical framework backed by a substantive programme of action in Agenda 21 and approved by political leaders at the highest level. While many people will debate for years the real meaning of sustainable development and how it should be implemented, the Earth Summit forged a concept that has caught the interest of everyone and set out an agenda providing a new sense of direction. It will change the way decisions are made and hence change the decisions themselves.

11. UNCED's large new agenda of action - Agenda 21, including its proposed desertification convention, the climate and biodiversity conventions, the forest principles, the Rio Declaration, and the institution of the Commission for Sustainable Development - all add new directions to UNEP's already heavy tasks.

12. Additionally, UNCED opened an important new avenue for UNEP and, indeed, for the community of nations. It introduced a new kind of process from which there is no retreat, a process of inclusiveness, transparency, accountability, consensus-building and the development of facilitative rather than punitive instruments and approaches. Indeed, this process may be the real legacy of UNCED in this time of historic political change toward democracy.

13. Now, it is true that UNEP has been carrying out for 20 years many of the activities called for in Agenda 21, and UNEP will contribute these and other activities and programmes to Agenda 21's implementation. It is also true that chapter 38 of Agenda 21 reiterates UNEP's role and responsibility "as the principal body within the United Nations system in the field of the environment"[4] and that the Governing Council should "continue to play its role with regard to policy guidance and coordination in the field of the environment."[5] Nevertheless, UNCED and the UNCED process bring a broad new context to UNEP's work. They expand the organization's mandate from environment alone to one of sustainable development, bring environment much more into the central political agenda of the world community, and require UNEP to expand its partnership to a wider range of subjects and a wider range of organizations. UNEP must more clearly be seen as a cooperative partner on a larger arena. UNEP will more than ever before have to demonstrate innovation, flexibility and responsiveness in its programme approach.

C. *Results-oriented management for UNEP*

14. These changing exigencies mean a change in what UNEP does and the agility with which it conducts its business. If sustainability is really to be achieved, there will have to be a change in ways of thinking and acting. The Executive Director believes that UNEP can lead in this effort and that that was the intent of the Governing Council when it called in decision 16/6 for an external evaluation of the organization and management of UNEP to identify new elements to reinforce the capacity of the programme and its management to its future responsibilities. A second phase of the study addresses UNEP's work in the light of UNCED. The phase 1 study was circulated at the Council's third special session in February 1992 and was taken into account in decision SS.III/2, paragraph 11 of which requested the Committee of Permanent Representatives with Governments and the UNEP secretariat to prepare proposals to the current session for enhancing UNEP's effectiveness and efficiency, taking into account the management study. The executive summary of phase 2 of the study is being circulated as an official document of the Council at its seventeenth session (UNEP/GC.17/26, annex), while the complete text is also available, in English only.

15. To this end, the Governing Council is invited to join the Executive Director over the next four years in making UNEP a flagship of good management and good human resource practices in the United Nations system. The Executive Director believes that this can be done while building on the organization's catalytic and coordinating role.

16. The first step must be to focus increasingly on results. UNEP must provide high quality services, be efficient, flexible and adaptable and responsive to needs of Governments and people at the grassroots. The Executive Director is convinced that if UNEP can produce results from the priorities set out by the Governing Council, it can be more responsive, provide better services and gain governmental and public support. As an early measure to this end, she constituted in April 1993 a committee of UNEP staff for results-based management to help develop a clear, communicable mission statement and a model for putting UNEP on a results-

oriented management programme. With a clear concept of the results desired, the Executive Director is convinced that UNEP can move readily to decentralize authority by empowering and assigning accountability to the staff. She is also confident that this process can increase teamwork and involvement in the decision-making, thus helping UNEP strengthen, in policy-making and representation, the role of the regional offices, which are UNEP's face for many countries, and improve the interconnections among UNEP's activities and programmes for increased effectiveness and efficiency.

17. Focusing on results also means that UNEP must have a bias for action. It must become an agent of change. In the post-Rio world, expectations are very high, expectations that the policies and programmes pursued by UNEP and its United Nations partners will move beyond rhetoric. It will have to deliver tangible improvements to the health of the world's overburdened environments that will yield tangible improvements in the lives of all its people.

D. *Establishing UNEP's internal management priorities*

18. To do this, however, UNEP has to have a clear set of priorities. It can no longer be all things to all people; it cannot do everything, it must decide what it can do and do it well. With its limited staff and financial resources, UNEP cannot provide all or even most of the environmental needs for sustainable development. However, working with and through others, it can help to see that the most urgent environmental needs are provided. Priority-setting will require hard decisions for the Council and many of them will be politically ladened. Yet, courage is called for to separate the essential from the desirable.

19. A critical priority for UNEP's internal management, must be to try to make UNEP a source of intellectual competence and excellence. UNEP may not have all the muscle needed to row the boat, but it can have the intellectual capacity to help steer it. It can be on top of and involved in the critical issues, and can assist in charting the directions and providing environmental guidance, the expertise and the technical advice required to move toward environmentally sound development.

20. An equally important priority is to develop and implement a better information system that will help support efficient management. Up-to-date and reliable environmental information and data is crucial to improving policy formulation, decision-making, monitoring and evaluation of UNEP's new directions in management as well as to facilitate delegation of responsibilities and the tracking of results. In paragraphs 38.22 (f) and (g) of Agenda 21, UNEP is called upon to accord priority to the "dissemination of environmental information and data to Governments and to organs, programmes and organizations of the United Nations system", as well as to "raising general awareness and action through collaboration with the general public, non-governmental entities and intergovernmental institutions". Improving the dissemination of environmental information and data will allow UNEP to provide a better consolidated service.

21. Another internal priority will be to greatly improve the management skills and conditions of the UNEP secretariat at its headquarters and elsewhere. As a catalyser and coordinator, UNEP's real strength is in its staff, and their competence can and should be enhanced. UNEP will be starting a number of additional training programmes, administrative measures, staff incentives and internal communication vehicles to ensure that its personnel are better informed and more fully prepared to play a

full part in UNEP's work. In line with General Assembly resolutions and the Secretary-General's directives, the Executive Director is planning to take measures to involve women more in the environment programme of UNEP and to strengthen their participation in the work of the secretariat.

22. Another aim is to make UNEP a leading team player in the United Nations system, in accordance with its catalytic and coordinating role, re-emphasized by its functions related to sustainable development. Petty territorial squabbling among individual fiefdoms or turf fights with others cannot be tolerated. There is more than enough work to go around. Given the constraints on resources for all and the urgent need for results, there is simply no room or time for power-grabbing. The Governing Council should be assured that UNEP is going to be known throughout the system as a cooperative partner.

23. Some of these redirections in UNEP management approach will take time and patience. They may also require a departure from past practices. At times the Executive Director may be consulting with the Council and requesting its support in seeking assistance to go beyond certain rules and procedures in order to introduce management reforms. These reforms will, however, always be in line with Agenda 21's insistence on transparency and cost-effectiveness. The Executive Director will be reporting to the Council and calling for its help in charting UNEP's course as the flagship of good management.

E. *Governmental and United Nations system coordinating machinery*

24. UNEP's approach to implementing Agenda 21 cannot be separated from the related work now going forward within the United Nations. The following paragraphs provide an update on two aspects of this work:

(a) At the *intergovernmental level*, the establishment of the Commission on Sustainable Development and its relationship to UNEP;

(b) *Within the United Nations system*, the Inter-Agency Committee on Sustainable Development chaired by the Secretary-General to facilitate the system's implementation of Agenda 21.

25. In its resolution 47/191 entitled "Institutional arrangements to follow up the United Nations Conference on Environment and Development", the General Assembly decided to establish an intergovernmental Commission on Sustainable Development. Its functions are to monitor the progress of implementing Agenda 21, to make recommendations to the General Assembly and to interact with other United Nations intergovernmental bodies dealing with environment and development. The Economic and Social Council established the 53-member Commission at its organizational session in February 1993, and the Commission met and organized itself from 24 to 26 February 1993 in New York. It holds its first substantive session in Geneva from 14 to 15 June 1993, at which time it will agree upon its programme of work.

26. To assist the Commission, the General Assembly, in paragraph 25 of resolution 47/191 has requested the Governing Council of UNEP to report through the Commission and the Economic and Social Council to the General Assembly at its forty-eighth session on the Council's specific plans to implement Agenda 21. The Council is due to discus this matter under item 4 (b) of its provisional agenda. The Executive Director's suggestions to assist the Council in its deliberations on the report are set forth in document UNEP/GC.17/27.

27. The Executive Director has every confidence that the working relationship between the secretariat of the Commission and UNEP secretariat will be complementary and productive. She has had a number of constructive meetings with the Under-Secretary-General in the newly created Department for Policy Coordination and Sustainable Development, which provides the secretariat support to the Commission. There is a clear understanding of the respective organizational roles and complementarities and a confidence that full cooperation is possible between the two entities. The Commission will serve as a high-level political forum for implementing Agenda 21 and thus can help UNEP carry out its responsibilities to that end. It will monitor and review progress in the implementation of Agenda 21, review adequacy of funding, consider information from Governments, international organizations, and non-governmental organizations and provide reports and recommendations to the General Assembly through the Economic and Social Council. Since its mandate cuts across all segments and sectors of United Nations programmes, the Commission can help facilitate UNEP's coordination work in the environment and link that work to the development organizations. The Executive Director looks forward to UNEP cooperating fully with this new and valuable institution.

28. The Executive Director took part in the opening day of the first session of the Inter-Agency Committee on Sustainable Development, held in New York from 24 to 26 March 1993. The Committee is a principal part of the ACC's new machinery to coordinate the United Nations system's follow-up to UNCED. The Committee will ensure effective cooperation and coordination of the United Nations system's implementation of Agenda 21, assist the ACC to streamline its inter-agency coordination machinery, and share and allocate responsibility for Agenda 21 implementation by the United Nations system. It will also monitor financing requirements and assess and make recommendations on reporting needs. UNEP is among nine members of the Committee, which also includes the Food and Agriculture Organization of the United Nations (FAO), the International Atomic Energy Agency (IAEA), the International Labour Office, the United Nations Development Programme (UNDP), the United Nations Educational Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO), the World Meteorological Organization (WMO) and the World Bank. The first session was chaired by the Under-Secretary-General in the Department for Policy Coordination and Sustainable Development. The Executive Director pledged UNEP's cooperation in the Committee's work and urged it to exercise a broad, delegated approach to its mandate, setting out a framework for and principles of management, establishing priorities and holding United Nations organizations, such as UNEP, accountable for producing agreed results.

III. ENHANCING UNEP'S IMPLEMENTATION OF AGENDA 21

A. *UNEP's priorities in the light of Agenda 21*

29. With the work on both governmental and United Nations system coordinating machinery proceeding satisfactorily, it is important to be clear on UNEP's contribution to facilitate Agenda 21 implementation. A first step to that end must be to have clear programme priorities -- those established or to be established by the Council and others established by Agenda 21. Given UNEP's greater responsibility and the increasing evidence that financial and human resources will be limited, there is a need to define as precisely as possible what UNEP can effectively deliver for Agenda 21. The proposed programme of Fund activities for the biennium 1994-1995 (UNEP/GC.17/7) before the Council suggests a number of these

programme priorities, but UNEP's work would be improved if the Governing Council could define more precisely those priorities at its seventeenth session, especially in light of the UNCED outcome, and, if possible, reflect this in its report to the General Assembly.

30. In its section IV, paragraph 1, of its decision 15/1 of 25 May 1989 on strengthening the role and effectiveness of UNEP, the Council decided that UNEP should focus on eight areas of concentration: the protection of the atmosphere, including climate change and global warming, the ozone layer and transboundary air pollution; protection of freshwater quality; protection of oceans and coastal areas; protection of land resources by combatting deforestation and desertification; conservation of biological diversity; the environmentally sound management of biotechnology; environmentally sound management of hazardous wastes and toxic chemicals; and the protection of human health and quality of life from degradation of the environment. At the same session, the Council proposed to the General Assembly (decision 15/3, annex, section B, para. 4) that it should affirm that these environmental issues are among those of major concern in maintaining the earth's environment and especially for achieving sound and sustainable development in all countries.

31. At the same session, in decision 15/1, the Council was somewhat more specific on UNEP's priorities, stating in decision 15/1, section IV, paragraph 2, that within the agreed areas of concentration, UNEP should give special attention to activities related to the following areas: combating climate change and the depletion of the ozone layer; management of shared freshwater resources; control of pollution in regional seas and proper management of their coastal areas; halting desertification and deforestation; conservation of biological diversity within a broad socio-economic context; and minimization of hazardous wastes, through the development of low and non-waste technologies and the environmentally sound management of hazardous wastes and potentially toxic chemicals.

32. Now, as the Council is aware, paragraphs 38.21-38.23 of Agenda 21 call for an enhanced and strengthened role for UNEP and the Governing Council. Within the Council's mandate it should continue to provide policy guidance and coordination in the field of the environment taking into account the development perspective.

33. Paragraph 38.22 of Agenda 21 states that UNEP should concentrate on a number of priority areas, including those which UNEP already focuses on, such as its catalytic and coordinating role; promotion of cooperation in environment; environmental monitoring and assessment, especially through Earthwatch and expanded relations with private scientific and non-governmental research institutes and of operationalizing the early-warning function; coordinating and promoting scientific research; dissemination of scientific information and data; raising awareness and cooperating with outside organizations; developing international environmental law and the functioning of environmental convention secretariats; supporting integration of environmental considerations in developmental policies and programmes.

34. The same paragraph highlights as well existing areas of UNEP's activity of work which the Council has already approved but where greater emphasis may be required, as follows: developing and promoting use of natural resource accounting and environmental economics; further development and promotion of environmental impact assessments in the United Nations system and in every significant economic development project

or activity; facilitating information exchange on and training in environmentally sound technologies; promoting regional cooperation; support to capacity-building; and assessment of and assistance in cases of environmental emergencies.

35. Apart from chapter 38, as the suggested draft Governing Council report to the General Assembly (UNEP/GC.17/27) observes, almost every other chapter of Agenda 21 calls upon UNEP to play some role or undertake some specific activity, for example, in implementing conventions, preparing new ones as in the case of desertification, convening intergovernmental meetings on the protection of the marine environment from land-based sources and an intergovernmental chemical safety forum, participating in the Global Conference on the Sustainable Development of Small Island States, playing a strong role in the work of the Global Environment Facility, and enhancing cooperation with major groups.

36. Given this long and ever-growing list of demands upon UNEP, good management demands that to achieve successful results the Council and the secretariat must try to direct the organization's work into a more limited number of specific areas and activities in which it can do its best work and make a real contribution, and for which it will be held accountable.

B. *Suggested priorities*

37. While strongly and urgently soliciting the Council's views on priorities at this session, the Executive Director believes UNEP's highest priority in the coming period must be to strive with Governments and its United Nations sister organizations to implement the results of UNCED and its Agenda 21. This alone will be a tall order for UNEP under current resource constraints.

38. Within UNEP's existing mandate and the priorities of Agenda 21, chapter 38, UNEP must continue to emphasize what may be called its "environmental sensing" responsibilities, commonly referred to as UNEP's monitoring and assessment role. These include Earthwatch's gathering and evaluating of the best environmental scientific information and data and making it available to policy makers in usable form. It involves state-of-the-environment reporting, early warning and the like supported by efficient communicating and delivery mechanisms. UNEP has an important intellectual role with Governments and the United Nations system in coordinating, communicating and evaluating scientific information and data.

39. Another suggested priority is the effective execution of UNEP's catalytic role. It is not enough for UNEP to gather and distribute information. It must ensure that the information is used in the process of sustainable development and must therefore continue unceasingly to encourage, inspire and prod others to integrate environment into their developmental activities, as has to be done in activities ranging from developing international environmental law, to regional seas, environmental economics and accounting and the trade aspects of the Montreal Protocol, the Basel Convention and CITES. It must, however, be emphasized that catalysing also means that UNEP has to have the will to step back after empowering others to initiate sound operational activities. The reason for this is simple: UNEP cannot cope with all actions and programmes, nor can it even hope to command the resources needed to do so. Moreover, it simply must come to appreciate that the management of sustainable development programmes can be more successfully conducted by national governments, regional groups, non-governmental organizations, and others at the grassroots level.

40. The next priority would be capacity-building. Sustainable development can never be achieved unless it can be accomplished by national Governments and local people. UNEP must help equip them to do this. UNEP must build on its existing competence to deliver capacity-building services, working closely with UNDP and other United Nations organizations in the framework of the Capacity 21 programme. Again UNEP's intellectual input is key. It must facilitate the transfer of technology and the skills required to use it.

41. Likewise, UNEP must put greater emphasis on environmental economics, especially by bringing the relevant fruits of the new work in this rapidly evolving field to the use of developing countries. It is increasingly evident that the traditional command-and-control regulatory approaches to environmental protection are approaching the limits of their utility and that economic incentives and market-based instruments may be administratively easier, less technical and less costly approaches to environmental management. Much of the work to date has been done in industrialized countries and UNEP should help to adapt these concepts to the needs of the Third World.

42. Finally, in all of UNEP's work, much greater use must be made of regional cooperation, working with the regional economic commissions, within UNEP's own regional cooperative programmes and with the secretariats of regional groups. UNEP simply does not have the resources to function at the country level as many other United Nations agencies do. The Executive Director therefore intends to consider regular regional meetings with environment ministers, recently found so valuable in the case of environment ministers from Latin America and the Caribbean, and to make much greater use of UNEP's regional offices, which ought to participate in the policy-making work of the organization and to gather information on what is needed and happening in the regions so that UNEP can be more responsive and respond to the proposal in Agenda 21, paragraph 38 (k), for UNEP to play a major contributing and coordinating role in the regional mechanisms in the field of environment identified for the follow-up of UNCED. They should be oriented toward and help portray the active and positive face of UNEP around the world.

C. *UNEP and Habitat*

43. Special mention should be made of UNEP's relationship to the United Nations Centre for Human Settlements (Habitat). When the Secretary-General placed UNEP and Habitat under a "common head", designating the Executive Director of UNEP as officer-in-charge of Habitat he asked her to consider and recommend how the two organizations could function better in the years ahead. It must be emphasized that the two organizations are operating as separate entities. The Executive Director will meet with Habitat's Commission and then with UNEP's Governing Council and intends to consider the Governments' views on how the two organizations can best function under common direction. Both organizations have their independent programme focuses, but there are certainly some efficiencies to be achieved working more closely together, for example, in common conference and administrative services. Since UNCED, it is clear that there are a number of issues both organizations face in common, in urban and waste management matters, perhaps energy and land tenure issues. There are others. The Executive Director will be discussing with the Council and the Habitat Commission possible reinforcements and cooperation between the organizations and possible changes to be made in future. She does not hold any attitude now as to whether there should be any merging or integration of the whole or parts of the organizations, nor does she plan to make decisions or changes without careful consideration and consultation.

IV. POLICY ASPECTS OF THE COUNCIL'S SEVENTEENTH SESSION

A. *UNEP's programme for 1994-1995 and implementation of Agenda 21*

44. The details of the work programme of the Council's seventeenth session are set out in the annotated provisional agenda (UNEP/GC.17/1/Add.1). The following paragraphs contain a few brief comments on the programme of work in order to focus attention on certain policy aspects and areas where the Council's advice would be appreciated.

45. The Council will be considering UNEP's implementation of its approved programmes for 1992 and 1993. It will also be called upon to examine and approve a proposed programme of Fund activities for the biennium 1994-1995 (UNEP/GC.17/7).

46. This document must reflect UNEP's programmes and activities for the coming biennium and, most especially, the Governing Council's plans for the implementation of Agenda 21, one of the principal priorities of this Council session. As mentioned above, General Assembly resolution 47/191 requests the Council to examine chapter 38 of Agenda 21 at this session and submit a report on specific plans of implementation to the Assembly at its forty-eighth session. The Executive Director has prepared a suggested draft report (UNEP/GC.17/27) designed to facilitate the Council's discussion and formulation of its report. The draft is framed to correspond to the relevant paragraphs of chapter 38. It also addresses separately some of UNEP's planned contributions to Agenda 21's implementation which are in other chapters of Agenda 21 and includes new initiatives UNEP proposes to undertake to implement Agenda 21 and a selected number of significant existing UNEP activities that it is believed will contribute to the Agenda's implementation. The Executive Director considers satisfactory completion of and linkages between the proposed programme of Fund activities for the biennium 1994-1995 and the report to the General Assembly on Agenda 21 implementation to be of highest priority for the Council's seventeenth session.

47. Closely related to this is the request in the Executive Director's report on the follow-up to General Assembly resolutions (UNEP/GC.17/20) for the Council to take note of and endorse UNEP's active participation in three important activities called for under Agenda 21, namely: the Global Conference on the Sustainable Development of Small Island Developing States, the elaboration of an international convention to combat desertification and UNEP's convening of an intergovernmental meeting on the protection of the marine environment from land-based sources of pollution. The Executive Director believes that the Council will agree on the need for strong UNEP participation in each of these activities.

48. Another area relevant to Agenda 21 for which the Council's policy guidance is particularly sought is in furthering the experiment with the United Nations Centre for Urgent Environmental Assistance. In its decision 16/9, the Council endorsed the Executive Director's proposal to establish the Centre on experimental basis in cooperation and coordination with United Nations agencies for 18 months. The report on the Centre's development (UNEP/GC.17/29) states that a United Nations emergency centre can provide a useful service to the international community, and especially to developing countries, in addressing environmental emergencies. Indeed, several countries with excellent emergency response capabilities have expressed interest in cooperating with the Centre. However, the evaluation raised serious questions as to whether the programme and direction of the Centre in its scope and function were sufficiently oriented toward the clearing-house and brokerage role originally set out for it. There were questions as well as to whether the Centre was cooperating and coordinating

as closely with Uniced Nations agencies and especially the Department of Humanitarian Affairs (DHA) as it should to be successful. In light of the evaluation, the Executive Director is proposing to the Council that the experimental phase should be continued for two more years, during which time the secretariat will make the necessary adjustments in the direction and programme of the Centre to bring it in line with the original purpose and scope as a facilitating mechanism and not as an operating one. The secretariat will also clarify its relations and linkages with its partners in the United Nations system to ensure it is truly a United Nations centre collaborating closely with Governments. The Executive Director is confident that she will be able to give the Council at its next regular session a positive report on the Centre and how it can function successfully.

49. UNEP will contribute to Agenda 21 implementation through its environmental sensing, or monitoring and assessment, activities. The comprehensive state-of-the-environment report, *The World Environment 1972-1992 - Two Decades of Challenge*, published in December 1992, summarizes trends of environmental conditions and human actions to improve the environment and catalogues future actions required. Largely consistent with Agenda 21, the report will form a good baseline against which future progress can be measured. UNEP plans to improve upon its review of the world environmental situation and reporting and the outline of a new approach to state-of-environment reporting is before the Council (UNEP/GC.17/Inf.11).

B. *International coordinating machinery for Agenda 21*

50. There has been some changes in the international coordinating machinery which will facilitate UNEP's work and its role in implementing Agenda 21. Mention has already been made above of the establishment of the Commission on Sustainable Development and also to the establishment by the Administrative Committee on Coordination (ACC) of the Inter-Agency Committee for Sustainable Development pursuant to the report of the ACC Task Force on UNCED follow-up. The report of the Task Force as endorsed by ACC also contained a recommendation that the ACC request the Executive Director of UNEP, in the light of the ongoing restructuring of the ACC and the issues in which UNEP has been assigned a lead role by Agenda 21, to reassess the linkages of the Designated Officials on Environmental Matters (DOEM) to the ACC and its subsidiary machinery, and to submit specific proposals, after consultation with the DOEM, on system-wide coordination and cooperation in the field of the environment. The aim of the Executive Director's proposals, (UNEP/GC.17/12/Add.1) would be to enable ACC to more effectively discharge its coordinating mandate in the field of the environment as established in General Assembly resolutions 2997 (XXVII) and 32/197. The proposals are for the Executive Director of UNEP to continue to assist ACC in discharging this function by preparing policy issues for its consideration and by chairing a senior-level inter-agency environmental cooperation and coordination group to assist in this regard. Working within this framework will establish UNEP's coordinating machinery in a more central place in the United Nations system and should enable us to carry out its existing and new responsibilities effectively. UNEP will continue, of course, to cooperate actively with other member organizations in the United Nations system.

C. *UNEP management and organization study*

51. Like its Agenda 21 implementation, UNEP's future programme and its management must take advantage of the management and organization study requested by the Council's sixteenth session and referred to in

paragraph 14 above. The Executive Director believes that there is much of value in the study, and much of what is of value is simply good common sense management. Many of these latter recommendations fall well within her own management concepts and vision and she intends to work toward their implementation in the months ahead. There are some 160 individual recommendations in the second-phase report - with many more in the first-phase report. Not surprisingly there are some of those with which the Executive Director does not agree and does not intend to implement. There are some with which she does agree and does propose to implement. She agrees that UNEP should build up a capacity in environmental economics and natural resource accounting, and is moving in that direction now. She does intend to strengthen ties and work with the United Nations system and wishes to strengthen regional offices and broaden their functional responsibilities. The management group of top UNEP managers is meeting, if not every week, at least every fortnight. The Executive Director supports the proposal for longer-term contracts for UNEP staff and proposes to introduce a revised performance reporting system for staff in UNEP even though there may be some problems with the Office of Human Resources Management in New York. Action is already taken to improve communications and regular discussions are taking place with the Kenyan authorities to this end: a new telephone switch is being installed in Gigiri now and the Government of Kenya is increasing the number and routing of trunk lines available to us. The Executive Director hopes to put forward to the Council proposals for improving international communications. If the Council approves a decision of support, the Executive Director proposes that the structure of the regular budget and programme and programme support costs budget should be changed after discussions with the United Nations Budget Division and the Advisory Committee on Administrative and Budgetary Questions. However, more time is needed to consider the more radical proposals to restructure parts of the organization. It is important for the Governing Council to have the opportunity to give its views on some of these issues, so that they can be taken into account by the Executive Director in making a final decision. In the end, the final responsibility for the structure of the organization is the Executive Director's and she believes in moving carefully on the more fundamental issues. There will, however, be changes in the coming months.

D. *The Global Environment Facility*

52. The Global Environment Facility (GEF) has become a prominent source of funding for global environmental activities. The Executive Director believes firmly that UNEP must play a distinct role in the Facility's policy and management, and is determined to achieve this. Her note on GEF is being circulated as document UNEP/GC.17/23. The Facility is undergoing restructuring which will be decided in December 1993. At that time the Facility will receive a fund replenishment for another three years. GEF's governance will become more democratic through the definition of a voting formula that will protect recipient country interests and give due weight to the funding efforts of donor countries. To promote the GEF's transparency UNEP is encouraging greater access to its documents. UNEP will seek to make sure that when the GEF begins to operate as a unified funding mechanism on an interim basis for the climate change and biodiversity Conventions that its financing principles will strengthen the conventions and adherence to them. UNEP believes that GEF should provide funds to priority global and national activities even where they are not covered directly by global conventions, for example, in cases such as CITES and the regional seas conventions.

53. Restructuring of GEF calls for reconstitution of the Scientific and Technical Advisory Panel (STAP) before the end of 1993. While there will be no formal nomination process, any suggestions for possible STAP members

from Governments, non-governmental organizations, United Nations agencies and the scientific community would be welcomed. In addition to continuing to service STAP, the Executive Director plans to intensify UNEP's general scientific and technical contributions to GEF. Other guidance the Council may offer to improve UNEP's work in the Facility would be greatly appreciated.

E. *The financial situation*

54. Much of UNEP's ability to carry out its mandate and responsibilities hinges upon the level of the resources available. Even before UNCED, at both its fifteenth and sixteenth sessions, the Governing Council confirmed that the Environment Fund required $100 million per annum by 1992 if UNEP was to fulfil the tasks before it. That was not achieved.

55. Now UNEP has been assigned additional responsibilities under Agenda 21. Agenda 21, chapter 38, foresees greater resource requirements. In listing priority areas on which UNEP should concentrate, the chapter states that "In order for UNEP to perform all of these functions, while retaining its role as the principal body within the United Nations system in the field of the environment and taking into account the development aspects of environmental questions, UNEP would require access to greater expertise and provision of adequate financial resources."[6] The Executive Director does not believe UNEP has resources adequate to do the task set out for it.

56. The Executive Director is, of course, very sensitive to the problems of UNEP's main contributors during a period of economic recession. It is to be hoped, however, that they and the rest of the world are now emerging from that recession and there is some prospect that they will be in a better position soon to increase contributions. At the same time, she is sensitive also to another disturbing fact: the gradual decline in the number of countries contributing to the Environment Fund and additionally the disproportionate share that some of the current contributors are providing. This cannot be regarded as a fair distribution of the burden. Only 55 countries have so far paid contributions to the Environment Fund for 1992 out of 180 members of the United Nations. That is not enough and she urges all countries to make a contribution; even the smallest could make some contribution to demonstrate their support to the organization.

57. On the subject of financing, the Council will recall that in decision 16/44, it asked the Executive Director to consider ways of ensuring a more stable and wider basis for voluntary contributions to the Environment Fund. In that connection recently, a report to the Secretary-General of the Independent Advisory Group on United Nations Financing co-chaired by Shijuro Ogata and Paul Volcker entitled "Financing an Effective United Nations", recommended that: "The voluntarily funded agencies should seek a larger proportion of their funding from multi-year, negotiated pledges."[7] And it also proposed that: "In the interest of greater co-ordination and administrative responsibility, all U.N. programs that are currently funded by voluntary contributions alone should have their administrative expenditures financed by assessed contributions". If a more stable and wider basis of financing could be found, perhaps the achievement of an overall higher level of contributions to the Environment Fund would also be possible. The Executive Director would welcome the Council members' views on whether they believe these recommendations would provide a future avenue for UNEP's funding.

58. Given the additional burdens placed upon UNEP and the words of support that UNEP was given by Heads of State and Government at UNCED, it has to be a matter of concern that there are suggestions from the Committee of

Permanent Representatives during recent meetings that the earlier target for contributions should now be set aside and that Governments should talk of contributions to the Environment Fund being restricted to a level substantially below the 1992 target set by the Governments themselves at the Council's fifteenth and sixteenth sessions. To say that the new assumption should be zero growth for the next years is hard to accept, for it is consistent neither with the organization's needs nor with the statements delivered by Heads of State and Government at UNCED. It is to be hoped that the Council will look at the financial position of the organization forthrightly and positively, bearing in mind the above-mentioned need to define priorities more precisely.

F. *The challenge ahead*

59. The financial situation described above potentially looms as a significant barrier to the world community and to UNEP in achieving the aims of UNCED. The end of the Cold War and the results of UNCED appeared to have opened the door for a full-scale assault on the scourges of poverty, population growth and environmental degradation through the pursuit of sustainable development. Yet, other conditions, such as national disintegration, ethnic differences, poverty and drought, have since been unleashed and they make UNEP tasks much greater than we anticipated. All must understand their personal and national stakes in the global environment and continue to press to elevate these issues to the high national and international priority they require. UNEP must continue to lead in this effort even within stringent financial conditions and occasional scientific uncertainty.

60. The challenge must be addressed within a partnership between North and South, concentrating on implementing the UNCED agenda and working on a clear set of priorities within which constructive results can be delivered, and seeking to find new and more efficient ways to get those results. If this is done, the Governing Council at its seventeenth and future sessions can help to readjust UNEP's course to meet the pressing challenges that lie ahead.

Notes

1 *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992* (United Nations publication, Sales No. E.93.I.8), vol.I, resolution 1, annex II.

2 *Ibid.*, annex I.

3 See UNEP/GC.14/13, annex.

4 See Agenda 21, para. 38.23.

5 See Agenda 21, para. 38.21.

6 See Agenda 21, para. 38.23.

7 *See Financing an Effective United Nations. A Report of the Independent Advisory Group on U.N. Financing* (Ford Foundation, February 1993), p.26.